### MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2023

2001 SENATE APPROPRIATIONS
SB 2023

#### 2001 SENATE STANDING COMMITTEE MINUTES

#### **BILL/RESOLUTION NO. SB2023**

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 18, 2001

Side A	Side B	Meter #
NDUS		0.0 - 54.9
	NDUS	0.0 - 44.0
	Health Dept	44.0 - 50.5
Health Dept		0.0 - 7.0
Job Service		7.0 - 21.0
Energy Programs		21.0-35.7
Ind Com		35.7 - 49.6
	NDUS  Health Dept Job Service Energy Programs	NDUS  NDUS  Health Dept  Health Dept  Job Service  Energy Programs

#### Minutes:

Senator Nething opened the hearing on SB2023.

Larry Isaak, Chancellor of the North Dakota University System (NDUS), presented some comments regarding the review process for the State Board of Higher Education (SBHE) priority list.

Laura Glatt, Vice Chancellor for Administrative Affairs, NDUS, presented testimony on SB2023 regarding campus capital projects (a copy of documentation is attached).

Senator Robinson: bring us up to date regarding the process/formula level of local funds?

Example: MSU -- is there? Consist?

<u>Vice Chancellor Glatt</u>: SBHE priority list -- no hard fast formula used state and local. MSU renovating the whole building, the auditorium is used by many organizations within the

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there has now been increases and local funds will be needed for utilities and maintenance.

Senator Robinson: When reviewing processes on improvements on heating systems -- do you go the economical route for short term --- example: 2 years ago VCSU updated their system -- now the cost of oil has increased --- do you consider the heat source when reviewing heat systems?

Sheila Peterson, OMB: OMB does look at that --- renovation or replacement. Does consider alternative fuels. Due to budget constraints it is difficult decisions as to short term or long term fix. Price of gas made us look at coal -- we search for the best for long term when/if possible.

Larry Eide, Senior Vice President, Minot State University (MSU) presented testimony on MSU Old Main/McFarland Auditorium (a copy of his testimony is attached).

Senator Solberg: 4-6 years ago -- there was a request for dollars to put a fire escape in Old

Main...done? Little update? Plans to remove? Remain? There was a recent fire at your campus

--this building?

Senior Vice President Eide: There were two appropriation requests -- 400 thousand and 444 thousand; fours years to complete -- blue area on the maps included in packet show the stairs and the exterior stair well --- which was just completed. The interior is on opposite side of the building; before there was only one in the center. A sprinkler system with automatic door closers were also installed. The fire was in a different building.

Senetor Holmberg: Are windows energy efficient? Need new?

Senior Vice President Eide: Yes the windows are energy efficient. Very few will be replaced -- majority were new several years ago.

Dave Clark. Vice President of Oper & Corp & Cont Ed at Bismarck State College (BSC)

presented information on the BSC Schafer Hall Renovation (a copy of testimony is attached).

BSC has recently been alerted to new plumbing codes which may effect the mechanical portion of the project. Estimate is 1.4 million for both floors.

Senator Bowman: Phase 1, and phase 2 --- from an investment stand point couldn't one save a little if done at the same time? Cost us more to do in 2 pieces?

<u>Vice President Clark</u>: Economic scale indicated larger projects - bigger volume -- is a better price. Bids are affected by the number of jobs in the community.

Senator Bowman: Project on line to do -- system figure most cost effective -- little here/little there -- far more expensive than to do it the first time.

<u>Vice President Clark</u>: Primarily look at the whole project. OMB takes all into consideration--2nd and 3rd floors -- in 4-5 years, 1st floor may be all administrative offices.

Senator Grindberg: Square foot cost for renovation?

<u>Vice President Clark</u>: There are some asbestos problems -- 12,000 square feet; cost per square foot (includes equipment/furnishings) some excess of 100 dollars.

Joseph Chapman, President of North Dakota State University (NDSU) presented capital construction bonding requests (a copy of which is attached).

Senator Solberg: How do you rank Minard and Ceres? Equal?

President Chapman: Perhaps Minard a little ahead --- as our enrollment grows we have a serious classroom space problems. Both are very important, and there is a need for faculty/administrative space in both buildings.

Senator Bowman: As mentioned before -- phase one of Minard? Do one phase; couldn't phases utilize the off-season? Complete the full project cheaper than having construction work going on at all times?

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President Chapman: Less expensive on the economic scale but the problem would be where to put the number of people on a temporary basis. Single phases ease that problem.

Senator Tallackson: How serious is the asbestos problem? 2 years ago there was information that it wasn't so serious, now have to do it?

<u>President Chapman</u>: Asbestos is around piping, under the floor tiles --- if you do not disturb them it is okay -- it is a matter of safety for workers to remove.

Senator Tallackson: Who says you have to remove it?

President Chapman: Part of the renovation.

Senator Tallackson: EPA rule?

President Chapman: Yes

Senator Andrist: Why remove floor tile -- put new cover over the tiles?

<u>President Chapman</u>: Buildings are 100 years old -- floor can't take renovations. Minard is a heritage building -- needs to be done different way.

R. Craig Schnell, Vice President for Academic Affairs, NDSU: presented documentation on Minard Hall, phase I (copy attached).

Senator Bowman: Floods -- been addressed in design?

<u>Vice President Schnell</u>: Yes, no problems in June but now icicles melt and draining in the garden level being addressed.

George Wallman, Vice President for Student Affairs, NDSU presented information regarding the new residence hall (copy of testimony is attached).

Senator Nething: Vice Chancellor Glatt -- the 11 thousand executive recommendation -- not in totals?

Vice Chancellor Glatt: Governor Schafer did not include; Governor Hoeven is.

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Senator Nething: Didn't amend to include Governor Hoeven's --till this bill. Still in the 3 underlined?

<u>Vice Chancellor Glatt</u>: 4 yes, underlined are Governor Hoeven's revised.

Senator Nething: Robinson Hall passed did it not?

Vice Chancellor Glatt: SB2003 had Robinson.

Senator Nething: Amended out of SB2003?

Vice Chancellor Glatt: Yes.

John Ettling, Vice President for Academic Affairs and Provost, University of North Dakota (UND) presented documentation on the O'Kelly Hall Renovation and the Memorial Student Union Renovation (copies of both are attached).

Senator Andrist: The \$7 per student, is that per semester?

Vice President Ettling: Per semester.

Senator Nething: Kelly Hall situation -- needs it -- but dollar constraints, reduces budget -- staying with them -- all the increases in higher Ed ---need some guidance as to where the dollars could come from --- additional dollars not part of picture.

<u>Vice President Ettling</u>: Understand, Senator Holmberg has spoken with us already. Indicates perhaps not this session -- but we will come again. As Senator Tomac indicated while on tour this summer: why wait until the buildings are run down -- why don't you tell until it gets so bad.

<u>Senator Heitkamp</u>: Fee -- is this additional? Adding where -- already \$384.

<u>Vice President Ettling</u>: This is a special assessment by the students on themselves. The current fee expires in 2001, this will extend it. Part time student fees are prorated

Senator Heitkamp: So this doesn't go up?

Vice President Ettling: Yes.

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Alvin Binstock, Vice President for Business Affairs, Dickinson State University (DSU) presented testimony on the Murphy Hall Renovation and Addition at DSU (a copy of testimony is attached).

Senator Andrist: College/university square footage? Renovations -- huge expansion projects?

Perhaps doubled when we provide heat/lights and future care --- is there a limit to the growth of square footage?

<u>Vice President Binstock</u>: Additional cost provides square footage and educational footage; we are not up to speed where training needs for education, size of classrooms. We are utilizing faculty; have inefficient work space -- asking them to work within confinements. We understand the situation but feel it should be the whole approach -- will complement additional space.

Senator Tallackson: How's the oil well under the football field?

<u>Vice President Binstock</u>: Wish we had 3 -- production was minimized, now that production is up we've had too revenue the last 3-4 months. The price is another matter-- we are a couple months behind in figures there.

<u>Joseph McCann</u>, President of Williston State College (WSC) presented documentation on the Diesel Technology Addition at WSC (a copy is attache ').

Senator Bowman: Growth at both Wahpeton (NDSCS) and WSC?

President McCann: We are 32 down this year in the diesel technology program; partly because of the crowded facilities. Can't speak to NDSCS enrollment. Can say that our students in this program are older than 20.

Sharon Etemad, President of Lake Region State College (LRSC) presented documentation on the Science Lecture Bowl and Laboratories at LRSC (a copy is attached).

Senator Robinson: Using the demography studies in your area? See changes?

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President Etemad: Devils Lake community is strong; lots of our students are local. We do see a drop in the outlining areas. Using more cooperative methods (example: in the health care/science fields) using telecommunications, IVN to teach science courses, updating skills.

Michael Renk, Vice President for Administrative Affairs, North Dakota State College of Science (NDSCS) testified on the Student Union Remodeling-Blikre Activities Center Addition at NDSCS. He presented documentation at the hearing of SB2003 earlier, but enforced the need for the appropriations. Student Union will be completed in 2 phases, figures as on Vice Chancellor Glatt's spreadsheet presented earlier in this hearing.

Robert Barnett, Interim State Health Officer, presented testimony on the Health Department's Facilities Master Plan (a copy of testimony is attached).

Senator Andrist: Rent space? If you do, rental from federal dollars? Bond facility; same renters - allow them to pay part with federal dollars

Robert Barnett: Yes. Yes. In my opinion.

Sheila Peterson, OMB: Indicated four parts to OMB section: 1. Division of Community Services; 2) Industrial Commission of ND; 3) Job Service; and 4) Project for Department of Transportation.

<u>Wayne Kindem</u>, Director of Administrative Services for Job Service North Dakota, presented testimony for that unit (a copy is attached).

Senator Nething: Parking? Length of time per visit?

<u>Wayne Kindem</u>: One hour -- but if the client is doing a resume, working on the Internet, requiring some self related tasks it may be beyond the hour. Some clients have a short duration.

Senator Tallackson: Pay loan off?

Wayne Kindem: Temporary leases payment incorporated in current budget.

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Senator Grindberg: Estimate square foot cost of land? How effects project?

Wayne Kindem: per land \$4.50 square foot (high side); effect services leased square footage --have 2/3 not delivered as good as should be and not the way we do -- stop separate locations,
look to being able to quality manner -- lease cost effective survey indicates it is difficult to find
over 10,000 square foot areas -- limited number and expensive.

Senator Bowman: Number of people who work in cubicles solely on computers? Out service considered? Rent outside of the city of Bismarck available. Hook up with technology a possibility? Ability to expand to rural communities who need businesses?

Wayne Kindem: Decentralized --- we have 19 offices, half of the staff is in Bismarck and accessible. All staff use computers; use connections to the main frame etc. We look to do voice mail, Internet to assist our clients. Some delivery of services is always going to be face to face.

Senator Andrist: Where are facilities? 6, 4 thousand square -- large facility?

Wayne Kindem: Larger office in on Divide (State Administration); customer delivery facilities off 2nd Street down town, and a temporary location in the US Bank Building.

Kim Christianson, Energy Program Manager, ND Division of Community Services presented testimony on State Facility Energy Improvement Project Authorizations (a copy attached).

Senator Grindberg: Compare what Wahpeton did -- not similar through state?

Kim Christianson: Performance contracts are campus wide; energy consumption is used at UND and NDSU.

Randy Bohlman, UND facilities department indicated: coordinator was chosen on this -- targeted systems not buildings; integrated resources - how they apply -- we felt primary reason we got the improvement for the dollars.

Senator Grindberg: You made? Utility companies involved? 2 partners at NDSCS.

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Randy Bohlman: We become energy server provider.

Senator Grindberg: Similar to Science without bond?

Randy Bohlman: Bond worked better for us.

Kim Christianson: Worked Wahpeton, Mayville, and Valley City -- similar; doesn't utilize third

party -- more control, dollars in ND.

Senator Bowman: Life time expectancy, 6 years? Changes last? Before outdated?

Kim Christianson: Lights have a longer useful life, mechanical 20 years.

Senator Andrist: UND portion -- paid out of line item utilities? Same as Science?

Kim Christianson: Correct.

Karlene Fine, Executive Director and Secretary, Industrial Commission of North Dakota

presented neutral testimony on SB2023 (a copy of testimony is attached).

Senator Nething: Chart: debt service column: lowest of cushion?

Karlene Fine: Correct -- 160,318 if funded.

Senator Nething: More dollar cushion allow?

Karlene F Estimate of ½ million to 1 million.

Senator Colberg: MSU: their portion to be bonded, also reflected here?

Karlene Fine: Have been reflected.

Senator Solberg: We're still liable for it?

Karlene Fine: Correct.

<u>Senator Andrist</u>: Source of funds -- repayment of energy projects?

Karlene Fine: With in budgets - utilities savings could provide payment.

Senator Andrist: No general funds: Other than appropriated?

Karlene Fine: Yes, if general funds are what pay utilities.

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Senator Robinson: Total columns?

Karlene Fine: Debt service pay this biennium, 2001-03

Senator Robinson: If no additional projects, pay all outstanding debt:

Karlene Fine: Yes.

Senator Nething: Asterisk to sales tax -- 4% increase each bi; revenue increase Hoeven's figures

shade under 3% -- where 4?

Karlene Fine: Number used by the tax department for the biennium.

Sheila Peterson, OMB: Number Karlene Fine used does reflect sales tax-motor vehicle tax;

Sales tax is down, upcoming biennium. Numbers do reflect actual - starting number.

Karlene Fine: Conservative number

Senator Nething: See sales tax 7%...3.98 motor vehicle -- appears conservative. Cushion

reduction?

Karlene Fine: Correct.

Kathy Roll, Attorney General's Office, gave neutral testimony. If you approve SE West Bldg. -the Attorney General's Office will be pleased to move to their space. We have 20 staff members
in a basement (many health issues involved in this space). Have 3 separate locations; staff on 3
floors of the capitol. ...would bring divisions together.

Hearing on SB2023 closed.

Committee assignment by Senator Nething:

Senator Grindberg, Chair

Senator Thane and Senator Heitkamp

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Hearing Date January 18, 2001

February 15, 2001 Full Committee Action: (Tape 3; Side A; Meter No. 8..5-45.3)

Senator Nething reopened the hearing on SB2023.

Senator Grindberg, Chair of the Capitol Bonding Subcommittee, presented amendments (18049.0103). He went through the committee's proposed changes. Discussion followed.

Senator Grindberg moved the adoption of amendments; seconded by Senator Heitkamp. Motion carried verbally. Discussion on the bill.

Senator Grindberg moved a DO PASS AS AMENDED; seconded by Senator Heitkamp.

Roll Call Votes: 13 yes; 1 no; 0 absent and not voting.

Senator Grindberg accepted the floor assignment.

Date:	2-15-01
Roll Call	Vote #:

## 2001 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 562023

Senate	Appropriations				Comr	nittee
Sul	bcommittee on					
	or					-
	onference Committee					
Legisla	tive Council Amendment Nu	mber _	180	049.0103	F-10-1	
Action '	Taken A. A.	22	(20)	amended		
Motion	Taken Amendment Nu Made By	ndf	lig	Seconded By	rtka	221 K
	Senators	Yes	No	Senators	Yes	No
Dave	Nething, Chairman	V				
Ken S	olberg, Vice-Chairman	V				
Randy	A. Schobinger					
Elroy	N. Lindaas	V				
Harve	y Tallackson	V				
Larry	J. Robinson					
Steve	n W. Tomac		V			
Joel C	. Heitkamp					
Tony	Grindberg					
	ll T. Thane	V				
	ringstad					
Ray I	lolmberg					
Bill B	lowman				•	
John	M. Andrist					
Total	Yes/3		No			
Absent		6				
Floor A	Assignment (1)	(12	m	dlerg		
If the v	ote is on an amendment, brie	fly indica	ite inten	t:		

Module No: 8R-29-3634 Carrier: Grindberg

Insert LC: 18049.0103 Title: .0200

#### **REPORT OF STANDING COMMITTEE**

SB 2023: Appropriations Committee (Sen. Nething, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2023 was placed on the Sixth order on the calendar.

Page 1, line 3, after "commission" insert "and the state board of higher education"

Page 1, line 15, replace "5,076,000" with "7,850,000"

Page 1, line 22, replace "10,078,000" with "12,852,000"

Page 2, line 1, replace "\$4,057,000" with "\$6,656,000"

Page 2, after line 5, insert:
"Minot state university

2,599,000"

Page 2, after line 23, insert:

"SECTION 4. LOCAL RESPONSIBILITY - APPROPRIATION. There is appropriated from local or other funds, the sum of \$1,300,000 to the state college of science for the purpose of providing the required local match for the student union renovation project, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 5. BOND ISSUANCE - PURPOSES - APPROPRIATION. The state board of higher education, in accordance with chapter 15-55, may issue and sell self-liquidating, tax-exempt bonds in an amount not exceeding \$17,500,000. Bonds issued pursuant to this section are not a general obligation of the state of North Dakota. The bonds may be issued, and the proceeds are appropriated, for the biennium beginning July 1, 2001, and ending June 30, 2003, for the purpose of financing the following capital projects:

University of North Dakota - Memorial student union renovation	\$3,500,000
North Dakota state university - Residence hall construction	8,000,000
North Dakota state university - Minard hall renovation	3,000,000
North Dakota state college of science - Student union renovation	2,000,000
North Dakota state college of science - Parking lot improvements	1,000,000

Any unexpended balance resulting from the proceeds of the bonds must be placed in a sinking fund to be used for the retirement of the bonds."

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

Senate Bill No. 2023 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University of North Dekote Total all funds Less estimated income General fund	\$3,990,785 3,990,785 \$0	\$3,500,000 3,500,000 \$0	\$7,490,785 7,490,785
North Dalicta State University Total all funds Less estimated income General fund	\$296,348 296,348 \$0	\$11,000,000 11,000,000	\$11,296,346 11,296,346 90
State College of Science Total all funds	<b>\$0</b>	\$4,300,000	\$4,300,000
(2) DESK, (3) COMM		Page No.	1

## REPORT OF STANDING COMMITTEE (410) February 16, 2001 10:35 a.m.

Module No: SR-29-3634 Carrier: Grindberg Insert L.C: 18049.0103 Title: .0200

Less satimated income General fund	<b>\$</b> 0	4.300.000	4,300,000
Minot State University Total eli funds Less estimated income General fund	\$5,076,000 5,076,000	\$2,774,000 2,774,000 \$0	\$7,850,000 7,850,000 \$0
State Department of Health Total all funds Less estimated income General fund	\$2,700,000 2,700,000 \$0	<b>\$0</b>	\$2,700,000 2,700,000 \$0
Job Service Total all funds Less estimated income General fund	\$2,302,000 2,302,000 \$0	\$0 \$0	\$2,302,000 2,302,000 \$0
Department of Transportation Total all funds Less estimated income General fund	\$352,600 352,600 \$0	\$0 \$0	\$352,600 <u>352,600</u> \$0
Bill Total Total all funds Less estimated income General fund	\$14,717,793 14,717,793 80	\$21,574,000 21,574,000 \$0	\$36,291,733 36,291,733 \$0

#### Senate Bill No. 2023 - University of North Dakota - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Capital improvements	\$3,990,785	\$3,500,000	\$7,490,785
Total all funds	<b>\$3,99</b> 0,7 <b>8</b> 5	\$3,500,000	<b>\$7,490,78</b> 5
Less estimated income	3,990,785	3,500,000	7,490,785
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

#### Dept. 230 - University of North Dakota - Detail of Senate Changes

	ADD BONDING AUTHORITY FOR STUDENT UNION RENOVATION	TOTAL SENATE CHANGES
Capital Improvements	\$3,500,000	\$3,500,000
Total all funds	\$3,500,000	\$3,500,000
Less estimated income	3,500,000	3,500,000
General fund	\$0	<b>\$</b> 0
FTE	0.00	0.00

<sup>1</sup> The board is authorized to issue revenue bonds in the amount of \$3.5 million for renovations to the Memorial Student Union. This project is included in the Hoeven budget recommendation but was not included in the Schaler executive budget.

#### Senate Bill No. 2023 - North Dakota State University - Senate Action

	EXECUTIVE	SENATE CHANGES	SENATE VERSION
Capital improvements	\$204,340	\$11,000,000	\$11,296,344
Total all funds	\$296,348	\$11,000,000	\$11,296,348
Lies estimated income	200.340	11.000.000	11,204,348
General fund	<b>\$0</b> ·	\$0	\$0
FTE	0.00	0.00	0.00

### REPORT OF STANDING COMMITTEE (410) February 16, 2001 10:35 a.m.

Module No: 8R-29-3634 Carrier: Grindberg Insert LC: 18049.0103 Title: .0200

#### Dept. 235 - North Dakota State University - Detail of Senate Changes

	ADD BONDING AUTHORITY FOR RESIDENCE HALL CONSTRUCTION	ADD BONDING AUTHORITY FOR MINARD HALL RENOVATION 2	TOTAL BENATE CHANGES
Capital improvements	\$6,000,000	\$3,000,000	\$11,000,000
Total all funds	\$8,000,000	\$3,000,000	\$11,000,000
Less estimated income	8,000,000	3,000,000	11,000,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> The board is authorized to Issue revenue bonds in the amount of \$8 million for construction of a residence half. This project is included in the Hoeven budget recommendation (in the amount of \$11 million) but was not included in the Schaler executive budget.

#### Senate Bill No. 2023 - State College of Science - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Capital improvements		\$4,300,000	\$4,300,000
Total all funds	\$0	\$4,300,000	\$4,300,000
Less estimated income	***********	4,300,000	4,300,000
General fund	\$0	\$0	\$0
FTE	0.00	0,00	0.00

#### Dept. 238 - State College of Science - Detail of Senate Changes

	ADD BONDING AUTHORITY FOR PARKING LOT <sup>1</sup>	ADD AUTHORITY FOR STUDENT UNION RENOVATION 2	TOTAL SENATE CHANGES
Capital improvements	\$1,000,000	\$3,300,000	\$4,300,000
Total all funds	\$1,000,000	\$3,300,000	\$4,300,000
Less estimated income	1.000,000	3,300,000	4,300,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> The board is authorized to issue revenue bonds in the amount of \$1 million for parking lot improvements at the State Vir. ye of Science. This project is included in the Schaler and Hoeven budget recommendations and was included in Senate Bill No. 2003 as introduced.

#### Senata Bill No. 2023 - Minot State University - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Capital improvements	\$6,076,000	\$2,774,000	\$7,850,000
Total all funds	\$5,076,000	\$2,774,000	\$7,850,000
Lites estimated income	5.076.000	2,774,000	7.850,000
General fund	<b>\$0</b>	***	\$0

<sup>2</sup> The board is authorized to issue revenue bonds in the amount of \$3 million for renovation of Minard Hall. The bonds will be repaid from other funds, excluding student fees. This project was not included in the Schafer or Hoeven budget recommendations.

<sup>2</sup> The board is authorized to issue revenue bonds in the amount of \$2 million for the Student Union renovation project. Local funds in the amount of \$1.3 million are also appropriated as the required local match for the project. This project is included in the Hoeven budget recommendation but was not included in the Schaler executive budget.

### REPORT OF STANDING COMMITTEE (410) February 16, 2001 10:35 a.m.

Module No: SR-29-3634 Carrier: Grindberg

Insert L.C: 18049.0103 Title: .0200

FTE

0.00

0.00

0.00

#### Dept. 241 - Minot State University - Detail of Senate Changes

	ADD BONDING AUTHORITY TO REDUCE LOCAL MATCH REQUIREMENT	ADD BONDING AUTHORITY FOR LOCAL MATCH REQUIREMENT	TOTAL SENATE CHANGES
Capital improvements	\$175,000	\$2,599,000	\$2,774,000
Total all funds	<b>\$175,000</b>	\$2,599,000	\$2,774,000
Less estimated income	175,000	2,599,000	2,774,000
General fund	\$0	\$0	\$0
FT6	0.00	0.00	0.00

The bonding authority provided to the Industrial Commission for the Minot State University Old Main renovation project is increased by \$2,774,000, from \$5,076,000 to \$7,850,000 for the following:

- Bonding authority is increased by \$175,000 to reduce the local match requirement from \$2,774,000 (the amount included in the Schafer executive budget) to \$2,599,000. The Hoeven budget recommendation includes \$175,000 from the general fund to reduce the local match requirement proposed in the Schafer budget.
- Bonding authority is increased by \$2,599,000 to allow the portion of the project to be paid from local sources to be initially paid for with bonding proceeds, then repaid with local funds. The Schafer recommendation provides bonding authority for only that portion of the project not paid from local funds. This change is included in the Hoeven budget recommendation.
- Senate Bill No. 2003 as introduced included an appropriation of \$2,774,000 of other funds for this project.

2001 HOUSE APPROPRIATIONS
SB 2023

#### 2001 HOUSE STANDING COMMITTEE MINUTES

#### **BILL/RESOLUTION NO. SB 2023**

House Appropriations Committee

☐ Conference Committee

Hearing Date March 19, 2001

Tape Number	Side A	Side B	Meter #
03-19-01 tape #1	0 - 6243	0 - 6240	
03-19-01 tape #2	0 - 6224	0 - 521	
		/	

#### Minutes:

The committee was called to order, and opened committee work on SB 2023.

Chairman Timm: This is the hearing for SB 2023, the capital improvements bill.

[tape 130 - 1805] Francis Schwindt, Department of Heath: Had prepared written testimony, and read from it. The department of health wants an addition to the lab.

(The committee asks some questions and Francis Schwindt and Bob Barnett answered their questions).

[tape 1930 - 3901] Erik Shaar: President of Minot State University gave some opening remarks.

Larry Eide, Minot State University: Had handout regarding Old Main, McFarland Auditorium Renovation. He went through all the numbers and pictures in the handout.

(The committee asked questions and Larry Eide answered them).

[tape 4000 - side B, 2312] Wayne Kindem, Director of Administrative Services for Job Service ND: Had prepared written testimony, and read from it.

(The committee asked questions and Mr. Kindem and Maren Daley, Executive Director of Job Service answered them).

[tape side B 2312 - 3850] <u>Darin Scherr, State Energy Engineer</u>: Had prepared written testimony and read from it.

(The committee asked questions and Darin Scherr, legislative counsel staff, and OMB staff answered the questions).

entitled Energy Conservation Measure Development Sheet. The POT capital improvement is replacing a lighting system that has a projected cost in energy savings of \$55,212 per year, and a payback of 6.39 years.

(The committee asked several questions and Tom Freier, Darin Scherr and Shiela Peterson of OMB answered).

[tape 2, 0 - 2435] <u>Dr. Joseph Chapman, President NDSU</u>: Gave some opening remarks on the needs of the university.

Dr. George Wallman, VP, NDSU: Had written testimony regarding Residence Hall. He mostly read from this written testimony.

(The committee asked questions and George Wallman answered).

<u>Dr. Craig Schnell. VP NDSU</u>: Had written testimony regarding Minard Hall Renovation.

He mostly read from his testimony.

Page 3
House Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date March 19, 2001

(The committee asked questions and Craig Schnell, Sheila Peterson from OMB, and Dr. Chapman answered).

[tape 2, 2435 - 3550] Bob Gallager, VP UND: Had written handout regarding the UND Memorial Student Union Renovation.

(The committee asked questions and Bob Gallager answered).

[tape 2, 3550 - 4590] Mike Renk, VP, NDSCS: Had written presentation of the parking lot repair and student center renovation and addition.

(The committee asked questions and Mr. Renk and Sheila Peterson from OMB answered).

[tape 2, 4590 - 6224, and side B, 0 - 521] <u>Karlene Fine. Industrial Commission</u>: Had prepared written testimony and read from it. She had a prepared proposed amendment attached to her testimony. She explained how the building authority works and the statutory limitation for general fund debt service expenditures.

(The committee asked some questions, and Karlene Fine answered them).

The chairman closed the hearing on this bill.

#### 2001 HOUSE STANDING COMMITTEE MINUTES

#### **BILL/RESOLUTION NO. SB 2023**

House Appropriations Committee

☐ Conference Committee

Hearing Date April 3, 2001

Tape Number	Side A	Side B	Meter #
04-03-01 tape #1		0 - 3565	
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Committee Clerk Signatu	ire faxic	e wall	

#### Minutes:

The committee was called to order, and opened committee work on SB 2023.

Rep. Wentz: Has a planned amendment to this bill that pertains to SB 2003, but also affects this bill. That amendment is not yet ready however.

Rep. Delzer: Wants to point out that we are over the bonding limit. Somehow we have to get under that limit. There are not many ways to do this. We have to get under the bonding limit, and they have some way to do that with legislation or calling some projects something else. He thinks we should take some money from some of the projects to get under the bonding limits. Use cash to pay for it instead of bonding. Thinks Old Main in Minot is the one that affects the bonding limit. Does not have a dollar figure to propose.

Rep. Wentz: The local match for Minot was increased by \$564,000 by Gov. Schafer, and Gov. Hoeven reduced that by \$185,000. Minot had requested some different funding.

Page 2
House Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date April 3, 2001

(Discussion regarding this issue. Rep. Byerly states that Carlene Fine's testimony addressed that issue, and had a suggested amendment to this problem. Sheila Peterson from OMB explained the repayment plan and payments from Minot in less years could solve the problem in the short term.)

Rep. Wentz: The subcommittee has some amendments coming for SB 2003 that would address this issue. She explains briefly what the amendment she is waiting for will do. That there would be some general fund dollars that could be put toward the Minot project to reduce the local match, and reduce the over bonding problem.

(More discussion regarding possibilities, and then other parts of the bill, as to why these projects do not appear in the university budgets. Rep. Byerly asks Sheila Peterson why these projects were not in the Governor's recommendations. She responds that mostly it had to do with volume of other projects already in existence and timing. More questions and discussion on the bonding issue).

Carlene Fine, Industrial Commission: Appears to answer questions of the committee regarding the capital projects and bonding limits, and the liability of the state regarding the bonds. She states that a shifting of some cash, about \$500,000 into the Minot project would solve their problem. She explains how she arrived at this amount, generally.

The chairman closed committee work on this bill.

#### **2001 HOUSE STANDING COMMITTEE MINUTES**

#### **BILL/RESOLUTION NO. SB 2023**

House Appropriations Committee

Conference Committee

Hearing Date April 5, 2001

Tape Number	Side A	Side B	Meter #
04-05-01 tape #2	3570 - 4829		
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Committee Clerk Signa	ture Paklu	Sall	

#### Minutes:

The committee was called to order, and opened committee work on SB 2023, capital improvements bill.

Rep. Wald: Has had conversations with both legislators from Wahpeton, and if you look at the project for Wahpeton, what they want now is authorization to proceed with the parking lot. It is amortized with parking lot fees. The next project is a renovation of the student union, and what they want is known as phase I. They want to have the authority to start raising the local match in the coming biennium, and not start the construction until they have a good portion of that local match raised. We need to develop an amendment that allows the School of Science to start raising the money as required for phase I, remodeling and reconfiguration of the existing student union. The state architect's comments are that his recommendation is not to do this project at this time. The amendment would be that the School of Science would start raising the revenue for the phase I of the student union.

Chairman Timm: Would that also take out the \$2 million figure in the bill.

Rep. Wald: So on page 3, line 7 would be deleted. Moves to adopt the amendment. Seconded by Rep. Boehm.

Rep. Skarphol: Do we just want to allow them to start the local match, that they can't start the renovation or anything.

Rep. Wald: Yes.

<u>Chairman Timm</u>: The local match would be raising the whole \$2 million, wouldn't it?

There is no match. They were going to get guaranteeing by a bond.

Rep. Wald: If you look at the written testimony (at least from the subsection), page 14, the student union remodeling is from \$1 million local, \$1 million from student fees, and \$1 million from revenue.

Rep. Monson: Would the language allow them to raise their fees so they can start working on the other part.

Rep. Wald: The students voted on raising their fees.

Rep. Glassheim: Do we need to give them authority to bond the \$2 million.

<u>Chairman Timm</u>: The object of the amendment is to keep them from starting on the addition until they have the \$1 million local match raised.

(The committee discussed that this effort will take some time based upon the size of the city, the number of students, etc. They will have some time to raise this money, which will probably be next biennium).

Rep. Gulleson: She resists the motion, stating that the community does think they can raise that money and should be able to begin building if they can.

Chairman Timm: Thinks the amendment allows them to go on with the renovation.

Page 3
House Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date April 5, 2001

(The committee says no, they have to first raise all the local money, then come back for the bonding at a later date).

Rep. Skarphol: Thinks that if the school and city is determined enough to raise the money for the match, they should be allowed to do the renovation this biennium.

Rep. Wald: Amends his motion to allow the school to begin the renovation as soon as they raise the \$1 million match.

Rep. Byerly: In the bonding bill, and Karlene Fine is here and could possibly answer this, the \$2 million in the bonding bill, is that just for phase I, or is it for the entire project that includes the addition? We need to get straight how much that bonding is intended to cover. The total cost is \$3,332,000, and that looks like the \$2 million that's in here would include with the local funds enough to both the renovation and addition.

Karlene Fine: Doesn't know.

Rep. Byerly: If he reads page 13 correctly of the handout, the total cost for the entire thing, including the renovation and the addition is \$3.2 million. The bonding is \$2 million of that for both phases. Not sure how they can break this out. He would like to decrease the funding.

Chairman Timm: We need to do a little more work on this.

Rep. Wald withdraws his motion, and Rep. Boehm withdraws his second.

The chairman closed the committee work on this bill.

#### **2001 HOUSE STANDING COMMITTEE MINUTES**

#### **BILL/RESOLUTION NO. SB 2023**

House Appropriations Committee

☐ Conference Committee

Hearing Date April 10, 2001

04 10 01 4 40	201 2122	
04-10-01 tape #2	824 - 2199	
	15	 <u> </u>

#### Minutes:

The committee was called to order, and opened committee work on SB 2023, the capital construction bill.

Rep. Timm: Hands out proposed amendment .0205, and explains it's purpose. There was a lot of discussion about item 7 in section 5, regarding the student union renovation funding in Wahpeton. The amendment says that the funding of \$1.3 million must be collected and the renovation and expansion plans approved by the state architect before the renovation and expansion building may begin. The \$1.3 million is a local match.

Rep. Martinson: Moves to adopt this amendment. Seconded by Rep. Monson.

Voice vote adopts the amendment.

Rep. Wentz: Hands out and explains amendment .0203. There also in an accompanying paper titled North Dakota Building Authority Debt Service dated 4/4/01. There was some discussion and concern in this committee about the negative number that would occur in the

biennium 03-05, and there was talk about putting general fund dollars in the bill so we could get away from the negative number. Carlene Fine has come up with an alternate proposal, and that is what is contained in amendment .0203. It simply requires that Minot State University increase the first two payments on their share of the local match, and they would pay \$310 for each of the first two years, 03 and 04. That would be sufficient to take care of that negative number.

Rep. Wald: Would like to ask Laura Glatt about the bonding. The bill has \$2 million for science student union and renovation. That probably will not take place this biennium, because they have to raise that \$1.3 million match. Should we remove that from the bill?

Laura Glatt: Of the \$1.3 million, \$300,000 is coming from auxiliary enterprises which they already have in hand. She is not sure how far along they are with the other fund raising. If you have just a couple big donors, that could come quickly. Her feeling would be to leave the bonding authority there, in the event they are able to raise this money this biennium. If they are not able to, they couldn't start, and would have to come back to the legislature and get reauthorization. It won't hurt anything to leave the authorization there.

Rep. Wentz: Moves to adopt the amendment. Seconded by Rep. Martinson.

Rep. Delzer: Wants to know if they are lowering the bonding amount by that \$300,000? Page 2, line 1.

Carlene Fine: No we are not reducing the amount of the bonding. It is just the local match portion is being shifting around so we can get around the negative number, but we are still bonding for the entire amount of the project.

Voice vote adopted the amendment.

Rep. Byerly: Asks a question of Sheila Peterson. On the authorization of energy improvement projects, when did we start doing those? In the last biennium?

Page 3
House Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date April 10, 2001

Sheila Peterson: That is correct. The enabling legislation was passed two years ago, directing the state energy engineer to go out and do these energy audits, and recommend any projects to this legislative session. This is the first session these would be seen.

Rep. Delzer: Did we put anything on anywhere that would require reports on whether or not we are actually seeing any savings?

Sheila Peterson: Would have to go back and look at last sessions' enabling legislation.

Rep. Delzer: Do we have anything for the next session, a report that will come back, an audit or something, that would prove that these are actually paying out like they say. A cost/benefit analysis. Would move to amend to add that to section 3, that there be a cost/benefit analysis to the next legislative session. Seconded by Rep. Byerly.

Rep. Aarsvold: Agrees with the intent of the motion. Doubts that in that time we can really judge the benefit in that short period of time. Would suggest that down the road we would expect periodic reports.

(Some discussion on the feasibility of these reports).

Voice vote adopted this amendment.

Rep. Wentz: Moves DO PASS AS AMENDED. Seconded by Rep. Gulleson.

Vote on Do Pass as Amended: 15 yes, 3 no, 3 absent and not voting.

Rep. Timm is assigned to carry this bill to the floor.

#### PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2023

Page 1, line 5, after "appropriation" insert "; to provide a statement of legislative intent"

Page 2, line 27, after "renovation" insert "and expansion"

Page 3, line 7, after "renovation" insert "and expansion"

Page 3, after line 10, insert:

"SECTION 6. LEGISLATIVE INTENT - STATE COLLEGE OF SCIENCE - STUDENT UNION RENOVATION. It is the intent of the legislative assembly that the funding of \$1,300,000 included in section 4 of this Act must be collected and renovation and expansion plans approved by the state architect before the state college of science may begin on the renovation and expansion of the student union."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

HOUSE - This amendment adds a section that requires the State College of Science to collect the local match of \$1.3 million for the Student Union renovation and expansion project and to receive project approval from the state architect before work on the project may begin.

# 2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 5 B 2023

House APPROPRIATIONS				Committee
Subcommittee on				
or Conference Committee				
Legislative Council Amendment		<del></del>	18049.0205	
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Representatives	Yes	No	Representatives	Yes No
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Wald - Vice Chairman				
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Rep - Aarsvold	<del>)                                     </del>	-	Rep - Koppelman Rep - Martinson	4
Rep - Boehm	<del>X</del> 0		Rep - Monson	+
Rep - Byerly Rep - Carlisle			Rep - Skarphol	1
Rep - Delzer	7		Rep - Svedjan	
Rep - Glassheim			Rep - Thoreson	
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Rep - Huether			Rep - Wentz	
Rep - Kempenich				
Rep - Kerzman				
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#### PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2023

Page 2, line 1, replace "\$6,656,000" with "\$6,356,000"

Page 2, line 6, replace "2,599,000" with "2,299,000"

Page 2, after line 6, insert:

"The Minot state university local responsibility of \$2,299,000 shall be paid in ten annual payments with each of the first two annual payments being \$315,000 and each of the remaining eight annual payments being \$208,625."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Minot State University - House Action

This amendment reduces Minot State University's local match for the renovation of Old Main by \$300,000, from \$2,599,000 to \$2,299,000, and provides that the local match must be paid in 10 annual payments with each of the first two annual payments being \$315,000 and each of the remaining eight annual payments being \$208,625. As a result, the amount of bonds to be issued for the project remains unchanged; however, the portion of the bonds to be repaid from funding from the general fund increases by \$300,000, from \$5,251,000 to \$5,551,000.

# 2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. $\leq \beta \approx 3$

House APPROPRIATIONS		<del>"</del>		Committee
Subcommittee on				
or Conference Committee				
Legislative Council Amendment			£049.0203	
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Wald - Vice Chairman				
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Rep - Boehm			Rep - Martinson	
Rep - Byerly			Rep - Monson	
Rep - Carlisle	7		Rep - Skarphol	
Rep - Delzer			Rep - Svedjan	
Rep - Glassheim			Rep - Thoreson	
Rep - Gulleson			Rep - Warner	
Rep - Huether			Rep - Wentz	
Rep - Kempenich				<u> </u>
Rep - Kerzman				
Rep - Kliniske				
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## 2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 58 2023

House APPROPRIATION	IS			_ Com	mittee
Subcommittee on					
or					
Conference Committee					
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lep - Aarsvold	<u> </u>	<del></del>	Rep - Koppelman		
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lep - Gulleson			Rep - Warner		
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## 2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 562023

House APPROPRIATIONS		·		Com	mittee
Subcommittee on		·			
Or Conference Committee					
Legislative Council Amendment			18049,0206		
Action Taken	30 PA	SS	As Amend	20	
Motion Made By	Went		econded O	ullec	YN C
Representatives	Yes	No	Representatives	Yes	No
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Wald - Vice Chairman					
Rep - Aarsvold			Rep - Koppelman		
Rep - Boehm			Rep - Martinson		
Rep - Byerly			Rep - Monson	1 1	
Rep - Carlisle			Rep - Skarphol		<u> </u>
Rep - Delzer			Rep - Svedjan		
Rep - Glassheim			Rep - Thoreson		
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HEREAGE TO THE SENATE FROM THE HOUSE (MANK L. JOHNSON, CHEEF CLERK) BIR. PRESIDENT: The House does not concur in the Senate amendments to HB 1407 and HB 1444 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HE 1487: Pape, Berg: Kaeper, Lamieux HE 1444: Pape, Brussgaard, Hear, Grunbo

# DELMERY OF EMPOLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 11, 2001; HB 1008, HB 1010, HB 1019, HB 1026, HB 1109, HB 1102, HB 1202, HB 1209, HB 1249, HB 1349, HB 1400, HE 1462.

SE 2023, as engressed. Appropriations Committee (Tep. Times, Chairman) recommends
AMEDINERIES AS FOLLOWS and when so amended, recommends DO PASS
(15 YEAS, 3 NAYS, 3 ABSEN). AND NOT VOTING). Engressed SB 2023 was placed on the Sixth order on the calender.

Page 1. line 5. after "appropriation" is set ", to provide a statement of legislaive intent

Page 2. fore 1. replace "36.656.000" with "36.356.000"

Page 2, line 6, replace 2,599,000" with "2,299,000"

Page 2, after line 6, insert.

The Minot state university local responsibility of \$2,298,000 must be paid in ten-amust payments with each of the first two annual payments being \$315,000 and each of the remaining eight amust payments being \$208,625.

Page 2, line 27, after "renovation" insert "and expansion"

Page 3. Ine 7, after renovation insert and expansion

Page 3, after line 10, inpert

fith-severth legislative assembly that the state college of science local responsibility of \$1.300,000, as provided in section 4 of this Act, must be collected and the renovation and expansion plens must be approved by the state architect before the state college of science may begin on the renovation and expansion of the student union. it is the intent of the SECTION 6. LEGISLATIVE INTENT - STATE COLLEGE OF SCIENCE STUDENT UNION MENOVATION AND EXPANSION. It is the intent of the

SECTION 7. STATE FACULTY ENERGY IMPROVEMENT PROJECT - REPORT TO THE FIFTY-EIGHTH LEGISLATIVE ASSEMBLY. The agencies and institutions receiving authorization for energy improvement projects pursuant to section 3 of this Act shalf monitor the resulting energy savings and the cost-effectiveness of the projects and shalf report the results to the house and senate appropriations committees of the fully eighth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Sill No. 2023 - Seminary of House Action

SECTION OF SENATE VENSOR

64th DAY

# WEDNESDAY, APRIL 11, 2001



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# Senate Bill No. 2023 - House Action

This amendment makes the following changes:

- The required local match for the Minot State University Old Main renovation project is reduced by \$300,000, from \$2,599,000 to \$2,299,000. The local match must be paid in 10 annual payments. The first two payments will be \$315,000 and the remaining eight payments will be \$206,625. The amount of bonds issued for the project remains unchanged from the Senate version of \$7,850,000 innerver, the portion of bonds repaid from the general fund is increased by \$300,000 to reflect the decrease in local repayment responsibility.
- A section is added providing that the required local match of \$1.3 million for the State College of Science Student Union renovation and expansion project must be raised by the college and the project plans must be \$2,000ed by the state architect before the project is started.
- A section is added providing that the Department of Transportation, North Davota State University, and the University of North Davota must report to the House and Senate Appropriations Committees of the Fifty-eighth Legiclative Assembly regarding the cost-effectiveness of the energy. improvement projects authorized in Section 3 of the but

# REPORT OF STANDING COMMITTEE

SB 2042, as engrossed: Appropriations Committee (Rep. Timm, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (16 YEAS, 2 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2042 was placed on the Sixth order on the calendar.

Page 1, line 5, remove 15-11-37;

Page 1, line 6, replace "chapters 15-62.3 and" with "chapter"

Page 1, line 9, after the second comma insert "and" and replace ", and the turtion assistance grant" with a period

Page 1, remove line 10

Page 1, line 19, after the period insert a

Page 2. after line 2. insert:

Appoint and remove the commissioner of higher education for commissioner's salary within the limits of legislatine appropriations, and prescribe the commissioner's duties.

2001 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2023

#### 2001 SENATE CONFERENCE COMMITTEE MINUTES

#### **BILL/RESOLUTION NO. SB 2023**

Senate Appropriations Committee

□ Conference Committee

Hearing Date April 17, 2001

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Minutes:

Senator Grindberg opened the conference committee on SB 2023. Members present were Senator Grindberg, Senator Thane and Senator Heitkamp. House members present were Representative Timm, Representative Wald and Representative Huether.

Senator Grindberg: Asked the House to explain their amendments to the bill.

Representative Timm: The building at Minot State College, the local match for the project was reduced by \$300,000 from \$2.6 million to \$2.3 million, this raised the amount available for the bonding. The amendment to Wahpeton School of Science, we added a section providing the required local match of \$1.3 million to be raised by the college and the project must be approved by the state architect before the project was started, mainly for legislative intent. Gave handout to committee on ND Building Authority Debt Service (attached).

Senator Heitkamp: How much extra is this for Minot State?

Page 2
Senate Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date April 17, 2001

Representative Timm: It will excel the payment and the general fund bonding will add an additional \$300,000 to the bonding.

Senator Heitkamp: The School of Science project, has this been done in the past requiring up

from money and for the state architect to sign off, is this standard procedure?

Representative Timm: They didn't have approval from the state architect.

Senator Heitkamp: Does approval have to be in place before going forward?

Senator Thane: The formal plan needs to be in place, if it is the architect is not needed.

Senator Heitkamp: Does the school have any problems with this?

Representative Timm: The idea was discussed with Representative Koppang and Senator Thane, they both agreed it was fine.

Senator Grindberg: Don't see the need for the language in there, mainly for future projects.

Representative Timm: A lot of members did not want this project to pass, this was a compromise from the committee.

Representative Huether: There was concern of use after completion.

Senator Thane: My knowledge of the administration, there is no intent by the college to those their credibility with this appropriation.

Representative Wald: If you look at Section 6, would you consider putting a period after college and striking the rest of the sentence, and don't worry about the architect?

Senator Thane: My concern is the administration agreed to raising the money first, and this will be hard to do compared to the larger towns, it is not easy to put this money together ahead of time.

Page 3
Senate Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date April 17, 2001

Representative Timm: This concern was with other members considering the size of Wahpeton to raise this money. If they can't pay back the bonds the state would have get involved, this is a good size addition for the school when you look at a parking lot for another \$1 million.

Senator Grindberg: Does the college realize this and won't ask at a later date to pay these obligations with total project for the additions at \$3.3 million, part renovation and addition.

Laura, \$2 million is bonded and they are going to issue bonds through the increase in student fees for the \$300,000, auxiliary operations have received \$1 million from private funds. The students supported this increase for the project and this is the major reason for all the support, the whole project is needed.

Senator Heitkamp: Dues the current administration have everything in place to start the project?

Representative Wald: The one third match is for the entire project, I don't know of any other campuses that have raised this kind of money. Local match of \$1 million help for \$300,000 cash flow.

Laura, there is flexibility where the \$1.3 million will come from, can be from all sources.

Representative Wald: If they were to get another \$300,000 for bonding, would they still need to increase student fees and get from donations?

Laura, the revenue bonds are paid by the fee, the main income source, not sure about on getting involved with the revenue bonding.

Representative Huether: You said give flexibility, where does it come from?

Laura, if you add the section of intent, non state general fund sources will have to repay.

Representative Timm: The other amendment was to Section 3 of the bill, it requires the three entities come back and report on these projects to see if they are cost effective for future projects.

Page 4
Senate Appropriations Committee
Bill/Resolution Number SB 2023
Hearing Date April 17, 2001

Discussion continued on the language for the architect.

Representative Wald made a motion that the House recede to the House amendments and further/adopt amendments changing Section 6, taking out the approval of the state architect. Seconded by Representative Timm. Vote of the committee passed 6-0. Conference closed. Tape #2, Side A, meter 24.6

Date:_	4-1	7-	0/	
Roll Ca	all Vote #:			

# 2001 CONFERENCE COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. SB 2023

#### **CONFERENCE COMMITTEE-Capital Projects**

Legisla	ative Council Amendment N	lumber				
9	recommends that the (	SENAT	MOU	(ACCEDE to)	RECEDE from	1)
	the (Senate/House) amend having been unable to agree			page(s) $\frac{132-133}{1324-1325}$ that the committee be discharged and a	a	
	new committee be appoint	ed.				
Action	Taken Do Pas	JA	5 A	non le 0		
Motion Senato	Made By r/Representative	910	0	Seconded By Senator/Representative	m	
	Senators	Yes	No	Representative	Yes	No
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Sena	ator Grindberg	v		Representative Timm		7.00
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otal Yes	0 1	No	Absent
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Module No: SR-68-8762

Insert LC: 18049.0207

#### REPORT OF CONFERENCE COMMITTEE

SB 2023, as engrossed: Your conference committee (Sens. Grindberg, Thane, Heitkamp and Reps. Timm, Wald, Huether) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1324-1325, adopt amendments as follows, and place SB 2023 on the Seventh order:

That the House recede from its amendments as printed on pages 1324 and 1325 of the Senate Journal and pages 1432 and 1433 of the House Journal and that Engrossed Senate Bill No. 2023 be amended as follows:

Page 1, line 5, after "appropriation" insert "; to provide a statement of legislative intent"

Page 2, line 1, replace "\$6,656,000" with "\$6,356,000"

Page 2, line 6, replace "2,599,000" with "2,299,000"

Page 2, after line 6, insert:

"The Minot state university local responsibility of \$2,299,000 must be paid in ten annual payments with each of the first two annual payments being \$315,000 and each of the remaining eight annual payments being \$208,625."

Page 2, line 27, after "renovation" insert "and expansion"

Page 3, line 7, after "renovation" insert "and expansion"

Page 3, after line 10, insert:

"SECTION 6. LEGISLATIVE INTENT - STATE COLLEGE OF SCIENCE - STUDENT UNION RENOVATION AND EXPANSION. It is the intent of the fifty-seventh legislative assembly that the state college of science local responsibility of \$1,300,000, as provided in section 4 of this Act, must be collected before the state college of science may begin on the renovation and expansion of the student union.

SECTION 7. STATE FACILITY ENERGY IMPROVEMENT PROJECT - REPORT TO THE FIFTY-EIGHTH LEGISLATIVE ASSEMBLY. The agencies and institutions receiving authorization for energy improvement projects pursuant to section 3 of this Act shall monitor the resulting energy savings and the cost-effectiveness of the projects and shall report the results to the house and senate appropriations committees of the fifty-eighth legislative assembly."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2023 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University of North Dakota Total all funds Lass estimated income General fund	\$3,990,785 3,990,765 \$0	\$7,490,785 <u>7,490,785</u> \$0	\$0 \$0	\$7,490,785 7,490,785 \$0
North Dekote State University Total all funds Less estimated income	\$296,348 296,348	\$11,296,348 11,296,348	<b>\$</b> 0	\$11,296,348 11,296,348

#### REPORT OF CONFERENCE COMMITTEE (420) April 17, 2001 5:03 p.m.

Module No: SR-68-8762

Insert LC: 18049.0207

General fund	<b>\$</b> 0	<b>\$</b> 0	\$0	\$0
State College of Science Total all funds Less estimated income General fund	\$0 \$0	\$4,300,000 <u>4,300,000</u> \$0	\$0 \$0	\$4,300,000 4,300,000 \$0
Minot State University Total all funds Less estimated income General fund	\$8,076,000 5,076,000 \$0	\$7,850,000 7,850,000 \$0	\$0 \$0	\$7,850,000 7,850,000
State Department of Health Total all funds Less estimated income General fund	\$2,700,000 2,700,000 \$0	\$2,700,000 2,700,000 \$0	\$0 \$0	\$2,700,00/ 2,700,000 \$0
Job Service North Dakota Total all funds Less estimated income General fund	\$2,302,000 2,302,000 \$0	\$2,302,000 2,302,000 \$0	\$0 \$0	\$2,302,000 2,302,000 \$0
Department of Transportation Total all funds Less estimated income General fund	\$352,600 362,600 \$0	\$352,600 352,600 \$3	\$0 \$0	\$352,600 3 <u>52,600</u> \$0
Bill Total Total all funds Less estimated income General fund	\$14,717,733 14,717,733 \$0	\$36,291,733 36,291,733 \$0	\$0 \$0	\$36,291,733 36,291,733 \$0

#### Senate Bill No. 2023 - House Action

This amendment makes the following changes:

- The required local match for the Minot State University Old Main renovation project is reduced by \$300,000, from \$2,599,000 to \$2,299,000. The local match must be paid in 10 annual payments. The first two payments will be \$315,000 and the remaining eight payments will be \$203,625. The amount of bonds issued for the project remains unchanged from the Senate version of \$17,850,000; however, the portion of bonds repaid from the general fund is increased by \$300,000 to reflect the decrease in local repayment responsibility.
- A section is added providing that the required local match of \$1.3 million for the State College of Science Student Union renovation and expansion project must be raised by the college before the project is started.
- A section is added providing that the Department of Transportation, North Dakota State University, and the University of North Dakota must report to the House and Senate Appropriations Committees of the Fifty-eighth Legislative Assembly regarding the cost-effectiveness of the energy improvement projects authorized in Section 3 of the bill.

Engrossed SB 2023 was placed on the Seventh order of business on the calendar.

2001 TESTIMONY SB 2023

# NORTH DAKOTA UNDERBITY SYSTEM 2001-2005 Campus Major Capital Projects SIME Priority List

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# 2001-2003 Compus Major Capital Projects SISHE Priority List NORTH DAKOTA UNIVERSITY SYSTEM

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GRAND TOT	GRAND TOTAL ALL PROJECTS		\$57,888,678 \$88,747,810	\$178,448,286		*	55.EVK.900	53.886.880	537.732 ggs	\$4.4E.S

<sup>1/</sup> HB1003 (1989) included a \$1,750,000 other fand appropriation for State Hall amountine. NOSU intends to use \$250,000 of this authority in 98-01 for the renormine of the axions care inheritary research to use \$250,000 of this wall have an authoritized believe of \$1,480,000 which is requested in carryover to 2001-03 to be supplemented with \$1,200,000 of autificined other funds authority in The 2001-03 biennium.

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#### TESTIMONY ON SENATE BILL NO. 2023 SECTION 3. STATE FACILITY ENERGY IMPROVEMENT PROJECT AUTHORIZATIONS

Kim Christianson, Energy Program Manager ND Division of Community Services (701) 328-4137

Also present: Darin Scherr, State Energy Engineer

Mr. Chairman, committee members, there are three projects included under Section 3 of Senate Bill 2023, entitled State Facility Energy Improvement Project Authorizations. The projects involve the Department of Transportation, North Dakota State University, and the University of North Dakota, at a total of \$4,639,733.

Our office was actively involved in the original legislation that created this funding mechanism, and we have worked closely with the state facilities on their proposals. My purpose today is to provide a brief background on the State Facility Energy Improvement Program and to provide more detailed information on the three proposal 'ncluded in Section 3.

At the 56<sup>th</sup> legislative assembly two years ago, legislators passed Senate Bill 2312 which created an on-going funding mechanism for energy efficiency improvements in state facilities. The bill had the strong support of the ND Association of Physical Plant Administrators and passed with only one dissenting vote. The main purpose of the bill was to reduce energy consumption and costs in state facilities. While this made good sense when the legislation was passed, it makes even better sense today as we are faced with ever increasing energy costs!

Senate Bill 2312 created a process by which our office works with physical plant administrators and others at state facilities to identify needed energy efficiency improvements. The proposed improvements are analyzed through engineering audits, which provide detailed cost estimates along with estimated energy cost savings resulting from the projects. We then submit a list of proposed projects for inclusion in the Governor's biennial budget, along with a report on the process used to identify the projects. I have included that report as an attachment.

The projects are proposed for funding through a bond issue, and our office, in conjunction with the participating state facility, will work to assure that the energy cost savings resulting from the improvements will be sufficient to equal or exceed the annual debt service for the bonds. Debt service payment will be designated from the participating facility's utility budget. We are working closely with OMB budget analysts and Karlene Fine from the Industrial Commission on this process.

In the two years since passage of SB 2312, we worked closely with eleven institutions that expressed interest in the program. Five backed out due to lack of funds or time to complete the engineering analyses, and six ended up submitting proposals to our office. One of those six did not meet the requirements of the program, so we ended up with five project proposals. A decision was made by OMB that two of the proposed projects, one at the State Penitentiary for \$73,040 and one at the State Office Building (Facility Management) for \$27,710, were small enough to include in those agencies' regular appropriations bills. Even though they're not included in this bill, it is our intention to closely monitor the energy savings resulting from those two projects.

We are then left with the three projects contained in the bill before you. With permission of the Chairman, I would like to have our energy engineer, Darin Scherr, quickly review the three remaining projects. I would be glad to answer questions now or following his presentation.



### North Dakota Division of Community Services

A Division of the Office of Management and Budget 14th Floor - State Cr., itol 600 East Boulevard A innue - Dept. 105 Bismarck, ND 58505/0170 (701) 328-2094 Telephone (701) 328-2308 Fax



August 30, 2000

Governor Ed Schafer Governor's Office 600 East Boulevard, 1<sup>H</sup> Floor Bismarck, ND 58505-0001

(701) 32**8-**2404 TDD

Dear Governor Schafer:

We are excited to present the following state facility energy efficiency projects for your review, in compliance with Senate Bill 2312 which was passed and signed by you during the last legislative session. When implemented these projects will significantly reduce energy consumption and costs, while updating energy systems and improving working conditions for state workers and the public.

We have attached an executive summary of the proposed state facility projects, along with more detailed information on each of the buildings involved and the projects proposed. We also have included a copy of Senate Bill 2312. Our understanding its that these projects will be included in your budget proposal in the legislative assembly along with a proposed method of mancing the improvement.

Our energy engineer, Darin Scherk has reviewed the materials submitted from each of the five facilities involved and concurs with the estimates on costs and savings. We are confident that enough energy cost savings will be realized to cover the debt service on bonds issued to finance the projects.

Please contact our office if you have questions or concerns with the proposed projects. You may reach Kim Christianson, Energy Program Manager at 328-4137 or Darin Scherr, Energy Engineer, at 328-1022.

Singerely, Kunk R Burns

Dina Butcher

Director

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Encs.

#### **EXECUTIVE SUMMARY**

The State Facility Energy Improvement Program (SFEIP) was introduced and passed by the Fifty-sixth Legislative Assembly of the State of North Dakota. The ultimate objective is to provide a funding mechanism for the purchase and installation of energy improvements that result in energy and energy dollar savings. Energy cost savings will be used to pay back the project costs. The program is designed to identify potential state facility energy improvement projects and select facilities for in-depth energy audits. The audits will provide information on project costs along with estimated energy savings from implementation of those projects.

The following are the proposed projects:

2001 STATE FACILIT	TY ENERGY IMPRO KECUTIVE SUMMA		RAM
Facility (Building)	Est. Cost	Est. Savings	Payback (Years)
Digital trival of Cope Leaving	7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	k gan ga kananan kanan Kananan kananan kanana	
Penitentiary Total	\$73,040	\$14,786	4.9
in the second with		, , , , , , , , , , , , , , , , , , ,	
State Office Building Total	\$27,710	\$3,666	7.6
Dige Green (in a marganis state)			
Headquarters Building Total	\$352,600	\$55,212	6.4
Sept the Date of the second sept 1	and the second	eringen personal sering gerinden in der eine de Gebeure	
Engineering Administration	\$ 8,319	\$ 1,208	6.9
Civil & Ind. Engineering	50,727	7,399	6.9
Architecture	12,031	2,063	5.8
Electrical Engineering	43,735	6,478	6.8
Dolve Hall/Mech. Engineering	55,929	7,979	7.0
Architectural Quonset	5,476	746	7.3
Complex Wide	120,131	16,477	7.3
Total	\$296,348	<b>\$</b> 42,350	7.0
			. •
Hughes Fine Arts Center	\$324,864	<b>\$</b> 45,794	7.1
Law School	320,464	51,590	6.2
Demand Side Mgmt.(Campus)	966,075	161,900	6.0
Chester Fritz Library	425,827	76,166	5.6
Gamble Hall	517,638	74,010	7.0
Pacilities	34,400	4,851	7.1
Steam Plant	36,800	13,256	2.8
Memorial Union	235,492	32,633	7.2
Upson II	209,663	33,095	6.3
College of Nursing	240,040	34,971	6.9
Lighting (16 Bldgs)	679,522	111,867	6.1
Total	\$3,990,785	\$640,133	6.2
Grand Total	\$4,740,483	\$756,147	6.3

We have also enclosed the following items for your review:

- Expanded Summary of Projects
- Certification of Projects by DCS's Energy Engineer
- Copy of Senate Bill 2312

### **Project Summaries**

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Kenneth J. Schwartz, P.E. (#-1869) K. J. Schwartz Engineering
Richard Frohlich Dept. of Corrections
Darin M. Scherr, P.E. (#-4447) State Energy Engineer ND Division of Community Services
August 3, 2000
Variable Frequency Drives
Installation of 10 variable frequency drives.  2 - Chilled Water  2 - Cooling Tower  1 - Forced Draft Fan (Boiler)  1 - Induced Draft Fan (Boiler)  4 - Boiler Feedwater  Project Cost: \$73,040  Annual Savings: \$14,786  Simple Payback: 4.9 yrs
The state of the s
Jim Leingang, Master Electrician Facilities Management
Loren Haid Facilities Management
Darin M. Scherr, P.E. (#-4447) State Energy Engineer ND Division of Community Services
August 30, 2000
Lighting upgrade and retrofit, occupancy sensors in the bathroom,  Project Cost: \$27,710  Annual Savings: \$3,666  Simple Payback: 7.6 yrs

Project Engineer(s)	Robert S. Granlund, P.E. (#-2320) Ulteig Engineers, Inc.
Facility Coordinator	Doug Faiman Dept. of Transportation
Reviewed by	Darin M. Scherr, P.E. (#-4447) State Energy Engineer ND Div. Of Community Services
Date	August 2, 2000
Projects & Comments	Lighting Upgrade
	Project Cost: \$352,600 Annual Savings: \$55,212 Simple Payback: 6.4yrs
trojeci objectionalistis	Non-thirds surgering single the second surgering single second se
Project Engineer(s)	Michael B. Eckhardt, P.E. Energy Services Group
Facility Coordinator	Mark Dahl, P.E. Associate Director, NDSU
Reviewed by	Darin M. Scherr, P.E. (#-4447) State Energy Engineer ND Division of Community Services
Date	August 8, 2000
Facility Summary	Total Cost: \$296,348 Annual Savings: \$42,350 Simple Payback: 7.0
Projects & Comments	Engineering Administration
	Lighting Retrofit and Controls
	Recommendations:
	<ul> <li>T12/magnetic to T8/electronic conversion</li> <li>LED exit lights</li> <li>Motion sensors to control lights in the copy room.</li> </ul>
	Project Cost: \$8,319 Annual Savings: \$1,208 Simple Payback: 6.9 yrs

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#### Civil and Industrial Engineering

Lighting retrofit and controls, vending machine controls and pneumatic room controls.

#### Recommendations:

- T12/magnetic to T8/electronic conversion
- Incandescent to flourescent (T8 and CFLs)
- LED exit lights
- Motion sensors to control lights in the computer lab.
- Vending machine controls
- Pneumatic room controls (thermostats)

Project Cost: \$50,727 Annual Savings: \$7,399 Simple Payback: 6.9 yrs

#### Architecture

Lighting retrofit and vending machine controls.

#### Recommendations:

- T12/magnetic to T8/electronic conversion
- Incandescent to flourescent (T8 and CFLs)
- LED exit lights
- Vending machine controls

Project Cost: \$12,031 Annual Savings: \$2,063 Simple Payback: 5.8 yrs

#### **Electrical Engineering**

Lighting retrofit and controls, vending machine controls and pneumatic room controls.

#### Recommendations:

- T12/magnetic to T8/electronic conversion
- Incandescent to flourescent (1'8 and CFLs)
- · LED exit lights
- Motion sensors to control lights in the computer lab and a classroom.
- Vending machine controls
- Pneumatic room controls (thermostats)

Project Cost: \$43,735 Annual Savings: \$6,478 Simple Payback: 6.8 yrs

#### Doive Hall/Mechanical Engineering

Lighting retrofit, vending machine controls and pneumatic room controls.

#### Recommendations:

- T12/magnetic to T8/electronic conversion
- Incandescent to flourescent (T8 and CFLs)
- · LED exit lights
- Exterior incandescent to high pressure sodium
- Vending machine controls
- Pneumatic room controls (thermostats)

Project Cost: \$55,929 Annual Savings: \$7,979 Simple Payback: 7.0 yrs

#### **Architectural Quonset**

Lighting retrofit and vending machine controls

#### Recommendations:

- T12/magnetic to T8/electronic conversion
- Incandescent to flourescent (T8 and CFLs)
- LED exit lights
- Exterior incandescent to high pressure sodium
- Vending machine controls

Project Cost: \$5,476 Annual Savings: \$746 Simple Payback: 7.3 yrs

#### Complex Wide

Energy management controls, Insulation, computer and monitor operational shutdown and high pressure steam shutdown.

#### Recommendations:

- Energy Management Controls Central system (backbone)
- Energy Management Controls Condensate Metering
- Energy Management Controls Electric Metering
- Install new lace-on removable fiberglass fitting covers
- Repair steam traps and steam system leaks
- Implement computer and monitor energy saving modes
- Repair electric domestic water heater and shut-down high pressure steam

Project Cost: \$120,131
Annual Savings: \$16,477
Simple Payback: 7.3

P.							
Project Engineer(s)	Loren V. Winters, P.E. (#-1869) Ulteig Engineers						
	David P. Obermiller, P.E. (#-3300) Obermiller Nelson Engineering						
	Leonard S. Schaff, P.E. (#-2044) Schaff Engineering. P.C.						
	David McParlane McFarlane Sheet Metal						
Fucility Coordinator	Randall S. Bohlman UND Physical Plant						
Reviewed by	Darin M. Scherr, P.E. (#-4447) State Energy Engineer ND Division of Community Services						
Date	August 29, 2000						
Facility Summary	Total Cost: \$3,990,785 Annual Savings: \$640,133 Simple Payback: 6.2						
Projects & Comments	Hughes Fine Arts Center						
	Mechanical, controls and lighting retrofit.						
	Recommendations:						
	<ul> <li>Upgrade DDC controls</li> <li>Incorporate new sequence of operations (setbacks, unoccupied settings)</li> <li>Install variable frequency drives on supply and return fan</li> <li>Replace constant volume boxes with variable air volume boxes (corresponding controls)</li> <li>Toilet exhaust controls</li> <li>Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)</li> </ul>						
	Project Cost: \$324,864 Annual Savings: \$45,794 Simple Payback: 7.1 yrs						

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#### Law School (Law Building & Law Library)

Mechanical and Control Retrofit and Lighting Retrofit.

#### Recommendations (Law Building):

- Replace pneumatic controls with DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply fan, return fan, and reheat pump
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

#### Recommendations (Law Library):

- Replace pneumatic controls with DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply and return fan
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$320,464
Annual Savings: \$51,590
Simple Payback: 6.2 yrs

#### **Demand Side Management**

Electrical Generator Demand Side Management Recommendations:

• Installation of generator sets.

Project Cost: \$966,075 Annual Savings: \$161,900 Simple Payback: 6.0 yrs

#### Chester Fritz Library

Mechanical and Control Retrofit and Lighting Retrofit.

#### Recommendations:

- Replace pneumatic controls with DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply fan, return fan, and cooling tower
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12-magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$425,827 Annual Savings: \$76,166 Simple Payback: 5.6 yrs

#### Gamble Hall

Mechanical and Control Retrofit and Lighting Retrofit

#### Recommendations:

- Replace pneumatic controls with DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply fan, return fan, and cooling tower
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$517,638 Annual Savings: \$74,010 Simple Payback: 7.0 yrs

#### **Facilities**

Mechanical and Control Retrofit

#### Recommendations:

- Upgrade DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply and return fan
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$34,400 Annual Savings: \$4,851 Simple Payback: 7.1 yrs

#### Steam Plant

Variable Frequency Drives

#### Recommendations

- Installation of variable frequency drives on boiler forced air fans
- Installation of variable frequency drives on boiler feedwater pumps and implementation of variable flow boiler feedwater header

Project Cost: \$36,800 Annual Savings: \$13,256 Simple Payback: 2.8 yrs

#### **Memorial Union**

Mechanical and Control Retrofit and Lighting Retrofit

#### Recommendations

- Replace pneumatic controls with DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply fan, return fan, and cooling tower
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$235,492 Annual Savings: \$32,633 Simple Payback: 7.2 yrs

#### **Upson II**

Mechanical and Control Retrofit and Lighting Retrofit

#### Recommendations

- Upgrade DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply fan, return fan, and cooling tower
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$209,663 Annual Savings: \$33,095 Simple Payback: 6.3 yrs

#### College of Nursing

Mechanical and Control Retrofit and Lighting Retrofit

#### Recommendations

- Upgrade DDC controls
- Incorporate new sequence of operations (setbacks, unoccupied settings)
- Install variable frequency drives on supply fan, return fan, heat pumps and cooling tower
- Replace constant volume boxes with variable air volume boxes (corresponding controls)
- Toilet exhaust controls
- Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$240,040 Annual Savings: \$34,971 Simple Payback: 6.9 yrs

#### **Building Lighting Retrofit (16 buildings)**

#### Lighting Retrofit

#### Recommendations

• Lighting retrofit (T12 -magnetic to T8 Electronic, CFLs, etc.)

Project Cost: \$679,522 Annual Savings: \$111,867 Simple Payback: 6.1 yrs

# NORTH DAKOTA DIVISION OF COMMUNITY SERVICES

#### **CERTIFICATION**

- 1. I hereby certify that I have reviewed all the submitted projects, in accordance with section 54.44.5 of the North Dakota Century Code, and found all information therein to be accurate, to the best of my professional judgement.
- 2. I am a qualified Registered Professional Engineer in accordance with the standards and criteria established in the State of North Dakota.
- 3. I have no conflicting financial interests relating to the audits or any energy conservation measures considered by any of the submitted projects.

Engineer

Darin M. Scherr

Registration Number

ND PE-4447

Signalure

Date

31 August 2000

#### Senate Bill 2312

Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine

SENATE BILL NO. 2312 (Senators St. Aubyn, Holmberg, W. Stenehjem) (Representatives Delmore, Nottestad, Poolman)

AN ACT to create and enact a new subsection to section 54-17.2-03, a new subsection to section 54-44.5-04, and a new section to chapter 54-44.5 of the North Dakota Century Code, relating to powers of the North Dakota building authority and the office of governmental assistance to implement a state facility energy improvement program.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 54-17.2-03 of the North Dakota Century Code is created and enacted as follows:

Notwithstanding any other provision of law, issue evidences of indebtedness to implement the state facility energy improvement program under section 3 of this Act.

SECTION 2. A new subsection to section 54-44.5-04 of the North Dakota Century Code is created and enacted as follows:

Implement a state facility energy improvement program.

SECTION 3. A new section to chapter 54-44.5 of the North Dakota Century Code is created and enacted as follows:

State facility energy improvement program. By August fifteenth of each odd-numbered year. the office shall inform all state agencies and institutions of the state facility energy improvement program. The office shall work with interested agencies and institutions to identify potential state facility energy improvement programs and select facilities for indepth energy audits designed to provide information on project costs along with estimated energy savings from implementation of those projects. The office shall notify affected utilities to discuss the potential impact on the utility and its customers of the proposed energy savings or conservation project. Upon completion of the energy audit, the office, in consultation with the interested agencies or institutions, shall submit a list of proposed projects to the governor, accompanied with the estimated cost of each project and energy savings resulting from the projects. The office shall submit a report listing the proposed energy savings or conservation projects to the governor by September first of each even-numbered year. The governor shall include the proposed energy efficiency or conservation projects in the biennial budget. The governor shall make available to the legislative assembly a report prepared by the office on each energy efficiency or conservation project, a description of the improvements to be financed, the estimated cost of each project, the total cost of the program, and the proposed method of financing the program. If the office proposes that evidences of indebtedness be issued to finance the energy efficiency or conservation improvements, the office shall provide an assurance that energy savings resulting from the improvements will be sufficient to equal or exceed the annual debt service of the evidences of indebtedness. In determining whether the energy savings will be sufficient to equal or exceed the annual debt service, the office, in consultation with the interested agencies or institutions,

may analyze state agency utility data to identify potential projects; perform detailed energy audits of state facilities, including contracting for audits if necessary; and provide training to facility maintenance staff to ensure that sufficient cost-savings are realized from projects to cover the debt service. The governor shall include in the executive budget recommendation for each state agency or institution participating in the state facility energy improvement program an estimate of the annual energy cost-savings expected for that agency, and, if needed, a projection of the debt service on program bonds that is apportioned to that agency. The executive budget recommendation must then reduce the current level of utility appropriations by the amount needed for debt service retirement and recommend an appropriation of that amount to the state building authority. Any appropriation of an amount needed for debt service retirement to the state building authority is not subject to the limitation contained in section 54-17.2-23.



#### North Dakota Division of Community Services

A Division of the Office of Management and Budget

14th Floor - State Capitol \$90 East Boulevard Avenue - Dept. 105

Blamarck, ND 58505-0170

(701) 328-2094 Telephone (701) 328-2308 Fax

(701) 329-2464 TDD



January 19, 2001

The Honorable Tony Grindberg State Senator 600 East Boulevard Avenue Bismarck, ND 58505

**RE: SB 2023 - SECTION 3.** 

Dear Senator Grindberg

During the hearing on the three energy improvement projects contained in SB 2023, you asked a question about why the University of North Dakota project is not structured as a third-party performance contract, similar to the campus-wide program at the North Dakota State College of Science in Wahpeton. Lin hopeful this letter will serve to better clarify our response.

As I mentioned at the time, we are very supportive of performance contracting and have worked with NDSCS all throughout their process, specifically with physical plant administrator, Wayne Flack, and his staff. We are also currently working with Valley City State University and Mayville State University on their performance contract solicitation. The state bonding mechanism established last session by SB 2312 does, however, offer some advantages to state institutions and, in some cases, is a better fit.

#### For example:

- A third party performance contract by necessity contains additional costs such as audit fees, measurement and verification costs, overhead and profit, that can be avoided through the state bonding mechanism. This enables the institution to include a number of additional energy improvements that might otherwise not qualify under the performance contract 10-year payback requirement. We estimate that nearly 25 percent of UND's proposed energy efficiency improvements would not qualify under the performance contract guidelines.
- UND is in a relatively unique position to carry out a comprehensive energy improvement program such as the one proposed, because they have the qualified personnel, resources,

and experience within plant services and other campus departments. Most other state facilities do not have similar capabilities and would therefore benefit from a third party performance contract.

- The bonding mechanism allows facilities to apply for specific, targeted improvements to energy systems, that generally would not be attractive to performance contractors.
- Most of the firms participating in performance contracting are from out of state. While much of the work is subcontracted to local firms, the fact remains that a good portion of the contract funding leaves the state. The bonding mechanism keeps more of the dollars within North Dakota.

Our goal is to reduce energy consumption and costs in state facilities, thus saving taxpayer dollars. The bonding mechanism established by SB 2312 and now proposed for use in SB 2023 is one of several tools available to help accomplish this goal. Your support of the initial three projects contained in SB 2023 would be greatly appreciated.

I hope this better answers your question. We would be happy to meet with you or attempt to answer any other questions you might have. I can be reached at 328-4137 or you can contact Darin Scherr, State Energy Engineer, at 328-1022.

Sincerely,

Kim Christianson

**Energy Program Manager** 

pa

cc: Committee Members, Senate Appropriations

#### TESTIMONY ON SENATE BILL NO. 2023 SECTION 3. STATE FACILITY ENERGY IMPROVEMENT PROJECT AUTHORIZATIONS

Darin Scherr, P.E., CEM, State Energy Engineer ND Division of Community Services (701) 328-4137

Also present: Ron Rauschenberger, Director

Mr. Chairman, committee members, there are three projects included under Section 3 of Senate Bill 2023, entitled State Facility Energy Improvement Project Authorizations. The projects involve the Department of Transportation, North Dakota State University, and the University of North Dakota, at a total of \$4,639,733.

Our office was actively involved in the original legislation that created this funding mechanism, and we have worked closely with the state facilities on their proposals. My purpose today is to provide a brief background on the State Facility Energy Improvement Program and to provide more detailed information on the three proposals included in Section 3.

At the 56<sup>th</sup> legislative assembly two years ago, legislators passed Senate Bill 2312 which created an on-going funding mechanism for energy efficiency improvements in state facilities. The bill had the strong support of the ND Association of Physical Plant Administrators and passed with only one dissenting vote. The main purpose of the bill was to reduce energy consumption and costs in state facilities. While this made good sense when the legislation was passed, it makes even better sense today as we are faced with ever increasing energy costs!

Senate Bill 2312 created a process by which our office works with physical plant administrators and others at state facilities to identify needed energy efficiency improvements. The proposed improvements are analyzed through engineering audits, which provide detailed cost estimates along with estimated energy cost savings resulting from the projects. We then submit a list of proposed projects for inclusion in the Governor's biennial budget, along with a report on the process used to identify the projects. I have included that report as an attachment.

The projects are proposed for funding through a bond issue, and our office, in conjunction with the participating state facility, will work to assure that the energy cost savings resulting from the improvements will be sufficient to equal or exceed the annual debt service for the bonds. Debt service payment will be designated from the participating facility's utility budget. We are working closely with OMB budget analysts and Karlene Fine from the Industrial Commission on this process.

In the two years since passage of SB 2312, we worked closely with eleven institutions that expressed interest in the program. Five backed out due to lack of funds or time to complete the engineering analyses, and six ended up submitting proposals to our office. One of those six did not meet the requirements of the program, so we ended up with five project proposals. A decision was made by OMB that two of the proposed projects, one at the State Penitentiary for \$73,040 and one at the State Office Building (Facility Management) for \$27,710, were small enough to include in those agencies' regular appropriations bills. Even though they're not included in this bill, it is our intention to closely monitor the energy savings resulting from those two projects.

In closing, I would like to explain that all audits were performed by professional engineers and reviewed by our office. I found all projects to be in accordance to both the Century Code and our guidelines developed for this program. I am confident in all the projects. Also we have begun working on measurement and verification for all the projects. Measurement and verification is ongoing and will be done until all the debt is retired. Thank you.

# ENERGY CONSERVATION MEASURE DEVELOPMENT SHEET

Date:

ECM Item No.

27-Jul-2000

27-Jul-20 EL-1 3-19-01

Building:

Department of Transportation

State of North Dakota Bismarck, North Dakota

#### Energy Conservation Measure

Description of existing equipment:

The existing lighting system consists of, in general, approximately 5600 2—lamp ballasts with approximately 10800 40 watt T12 lamps in approximately 2600 light fixtures. The light fixtures used are lensed fluorescent fixtures providing an average of 75 to 100 footcandles throughout the facility. This type of lighting system is not recommended for areas of high computer utilization.

Description of energy conservation measure:

Replace the existing fluorescent lighting system with a new indirect lighting system using electronic ballasts and T8 lamps. Provide lighting levels from 50 to 70 footcandles as currently recommended by the Illuminating Engineering Society. Estimated number of new ballasts is 2100, 2, 3 and 4 lamp electronic type, and a total of approximately 7200 T8 lamps installed in 2000 lighting fixtures.

#### Engineering Analysis:

Existing system electrical usage:

TOTAL KW	X	HRS/YR =	KWH/YR	x \$/KWH =	\$/YR
560.000		3120	1,747,200	\$0.0495	\$86,486.40

#### Proposed system electrical usage:

TOTAL KW	X	HRS/YR =	KWH/YR	x \$/KWH =	\$/YR
202.500		3120	631,800	\$0.0495	\$31,274.10

Electrical Energy Savings = Electrical Energy Savings =

1,115,400 KWH'S/YEAR 3,806,860,200 BTU'S/YEAR

#### **Economic Analysis:**

1. Design cost (10%):

\$31,000

2. Acquisition cost:

\$240,000

3. Installation cost:

\$70,000

**Total Modification Cost:** 

\$341,000

Increased operation and maintenance costs:

\$0 per Year

Salvage (or disposal) cost:

(\$11,600)

#### **Energy Cost Savings**

Electrical cost savings:

Total Energy Savings = \$55,212 YEAR

#### Payback Period

Simple payback period:

Payback period= 6.39 YEARS

UND SB 2023

#### **FACT SHEET**

#### O'KELLY HALL RENOVATION

General Funds: \$3,500,000

Proposed Restoration - Major Capital Project Priority

Renovation of O'Kelly Hall has been a capital project request and priority for UND in both the current and next biennium.

- Renovation of O'Kelly Hall will greatly reduce the University's deferred maintenance liability by replacing aging equipment, doors, and windows.
- This project will provide modern, energy-efficient space for a number of University programs
  including Social Work. Social Work is one of the University's most dynamic departments, granting
  both graduate and undergraduate degrees. In addition, Social Work attracts a substantial amount of
  grant funding by providing outreach services to the community, region, and state.

Relocating the Social Work department to O'Kelly Hall will greatly reduce the current congestion created by two departments sharing the limited space available in Gillette Hall.

- Renovation of O'Kelly Hall can be conducted in several phases, with the first phase completing the critical mechanical updates.
- Once the first phase of renovation is complete, smaller projects can be completed on a room-by-room basis as budgets allow. This flexibility is provided by the first phase mechanical upgrade that provides the necessary HVAC foundation that will be sized for the entire building. As funding becomes available, small-scale renovation projects can be completed without significant investments in the expensive A/C and heating components that are required by building codes. As a result, the remaining renovation plan can be completed over a number of years without affecting the existing facility.
- Renovation of O'Kelly Hall will provide the University with modern instructional and research space that will NOT increase the total maintenance area. As a bonus, maintenance and utility costs will be reduced as modern windows, doors, and mechanical equipment are installed that require fewer repairs and operate at a higher level of energy efficiency.

A complete program and estimate for O'Kelly Hail has been prepared that identifies the basic program uses and estimates the total cost of renovation. This project has received a significant planning effort that defines scope of work, floor plans, occupants, and space assignments. In addition, O'Kelly Hail will retain its historical integrity while providing modern, efficient space.

Renovation of O'Kelly Hall is one of the first steps in rejuvenation of the campus core. A master plan is being developed that identifies the specific needs of each building in this area and provides for a building connection system of walkways or tunnels.

UND Sb.2023

## MEMORIAL STUDENT UNION RENOVATION DETAIL

*Introduction:* Renovation of the UND Memorial Union is a No. 1 priority for the University as ranked for projects using non-appropriated funds. 1 The scope of this project centers on improvements that will enhance and improve the functions of the existing space, providing students with an inviting, friendly environment. Highlights of the planned renovation include:

- Replace all existing exterior doors and windows to reduce utility costs and enhance the appearance of this classic structure.
- Update building mechanical and electrical systems to accommodate future technology and improve energy efficiencies.
- Renovate and modernize the existing bathroom facilities throughout the building.
- Construct a vestibule entrance on the structure's east side that reduces winter drafts yet enhances the appearance of the building
- Replace and/or update wall and floor coverings.
- Replace ceiling systems and lighting systems.
- Renovate the former Buckstore space into a variety of programming, lounge, and student services space.
- Renovate the existing administrative space.
- Renovate the Crafts Center area.
- Renovate meeting rooms to provide more flexible space using folding walls and versatile lighting systems.

<sup>&</sup>lt;sup>1</sup> UND students are very supportive of this project that will use student fees as the source of funding. As the project scope identifies a wide range of renovation goals that can be completed independently, this project can be easily phased as required by available funding or convenience to the students.

5B 2023 3-19-01

#### **FACT SHEET**

#### **MEMORIAL STUDENT UNION RENOVATION**

Special Funds: \$3,500,000 Included in SB2023

Introduction: Renovation of the UND Memorial Union is a No. 1 priority for the University as ranked for projects using non-appropriated funds. The scope of this project centers on improvements that will enhance and improve the functions of the existing space, providing students with an inviting, friendly environment. Highlights of the planned renovation include:

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- Renovate the Crafts Center area.
- Renovate meeting rooms to provide more flexible space using folding walls and versatile lighting systems.

Above text is consolidated version of information presented to Senate Appropriations.

UND students are very supportive of this project that will use student fees as the source of funding. As the project scope identifies a wide range of renovation goals that can be completed independently, this project can be easily phased as required by available funding or convenience to the students.

# 2001-03 Senate Appropriations Hearing

Senator David Nething, chair 9:30 a.m. Thursday, Jan. 18, 2001

Capital Construction Bonding SB 2023



NDSU
President Joseph A. Chapman

### North Dakota State University

- North Dakota State University is taking increasing responsibility for raising money for campus growth without general fund appropriations. Examples of projects that have allowed us to so expand services include the Research and Technology Park, the College of Business Administration building, Sudro Hall, Robinson Hall and several projects that support community and campus athletic events (FargoDome, Newman Outdoor Field, Ellig Track and Field Complex).
- Renovations to Minard and Ceres Halls are projects we need legislative help with. These buildings do not have the same potential for fund raising from constituencies with specific affinities to the buildings, but each project is important to campus growth.
- Ceres Hall (built in 1910) was originally a women's dormitory. Now, as the campus grows, we are retrofitting it to be a one-stop center for student services. Its 90-year-old windows need replacement and asbestos is embedded in the plaster. The project will address these needs, as well as extending air conditioning to second and third floors and east and north wings; in-fill an existing courtyard to add new space, elevators and exit stairs; and tuckpoint all exterior masonry. This project will complete the renovation of Ceres Hall. Details attached.
- Minard Hall is NDSU's largest classroom building and it houses many academic departments and faculty offices, For example, Professor Richard Rathge of the Census Data Center has an office in Minard Hall, as do some 95 other faculty and support staff members. The renovation will add 9,000+ square feet in its initial phase, replace old windows, and add fire escapes, an elevator, a west side entrance and mechanical additions. Details attached.
- A new residence hall is needed to meet current and future student demand for on-campus housing. Since 1995, we have had to use 105 346 temporary beds to accommodate our students. This request is for a structure that will have no less than 200 beds consisting of suites, apartments and/or single rooms, and rooms for students with disabilities. It will be built to meet the expectations of today's students, including internet access, air conditioning, laundry facilities and other amenities. Details attached.
- These projects are important because we are serving a growing student population. We have set a goal of enrollment growth to 12,000 students. We are achieving this goal by several means.
  - We are expanding graduate student enrollment by 1,000 students. Through the retention
    of in-state graduate students and by attracting out-of-state graduate students to study in
    North Dakota, we expand the pool of specialized employees for North Dakota
    businesses.
  - We are increasing new freshmen and transfer students from out of state. Our employment survey shows that a significant number of out of state students choose to accept employment in North Dakota after graduation. For graduates who identified Minnesota as their home state, one-quarter accepted employment in North Dakota.
  - We are expanding academic offerings to place-bound adult learners. This fall, for example, our College of Business Administration arranged schedules so that a student can earn an MBA entirely during evening and weekend classes while maintaining full-time employment.

### North Dakota State University January 18, 2001

### New Residence Hall Request

\$6 -11,000,000

We provide this information to help you understand the reasons why we are asking for your approval to build a new residence hall at NDSU. Over the years we have operated our residence hall system in a very efficient manner with high occupancy, and good stewardship of the facilities. We are now faced with a situation where we have fewer beds available than other schools our size, a need to increase our capacity to support the demand, and projection of growth.

In the late 70's and early 80's we had a similar situation which caused us to purchase the Graver Hotel and build 3 16-plex single student apartments prior to the construction of our most recent high rise in 1987. We were constantly in overflow then as we are now. Students do not like overflow situations and it costs us students when we turn single rooms into doubles, doubles into triples and study rooms into places that house 3-4 students. Since 1995 we have had to use 105-346 temporary beds to accommodate our students. The demand has come from increased retention at NDSU and more new students. We expect this to continue as we move toward 12,000 students especially an increase in graduate students, transfers and new freshmen from outside the region. Most of today's students have not shared a room as they have grown up.

To meet the needs of these and future students, a new residence hall is needed. The needs of future students should be met with a facility which is state-of-the-art in every way. Technology, services and programs are to be blended together to provide these students with the best learning environment possible including classrooms. This new facility should meet the ever-changing needs of the upper-class student resident as well as assist in providing a permanent bed to each incoming freshman.

The facility size would be no less than 200 beds (approximately 47,000 sq. feet) consisting of suites, apartments and/or single rooms and room for students with disabilities. Adequate facilities and services would be provided to the students including: internet access, cable TV, air conditioning, adequate laundry facilities, larger kitchen areas, fast food or short order food capabilities, card key entry, meeting and study areas, and other enhancements designed to provide the best available housing for the most reasonable fee.

We plan to finance this new hall through revenue bonds as we have in the past. The cost would be spread over the entire residence hall system. We are acutely aware of not pricing ourselves out of the market and believe we will continue to be competitive pricewise. Our room and board rates tend to be under other school's rates.

Our enrollment goals are aggressive and very achievable if we can add more beds in a facility that meets the needs of today's students. This new residence hall targets upperclass and graduate students. These are major targets for our enrollment growth. At the same time the new hall will allow us to free-up some space for new freshmen which we need.

### North Dakota State University January 18, 2001

### Minard Hall Renovation - Phase I

\$ 4,845,100

Minard Hall is a 78,000 square foot classroom and faculty office building constructed in three (3) phases beginning in 1903. It has been renovated a number of times over the past 97 years to meet the changing uses of the building. The last renovation was in the late 1960's when windows were replaced, an elevator added, ventilation and air conditioning added, heating and electrical systems upgraded and space rearranged and decorated.

Minard Hall is presently the main classroom building on the campus and is located in the University's historical district. It houses the College of Humanities and Social Sciences, and the Psychology and Mathematics Departments of the College of Science and Mathematics.

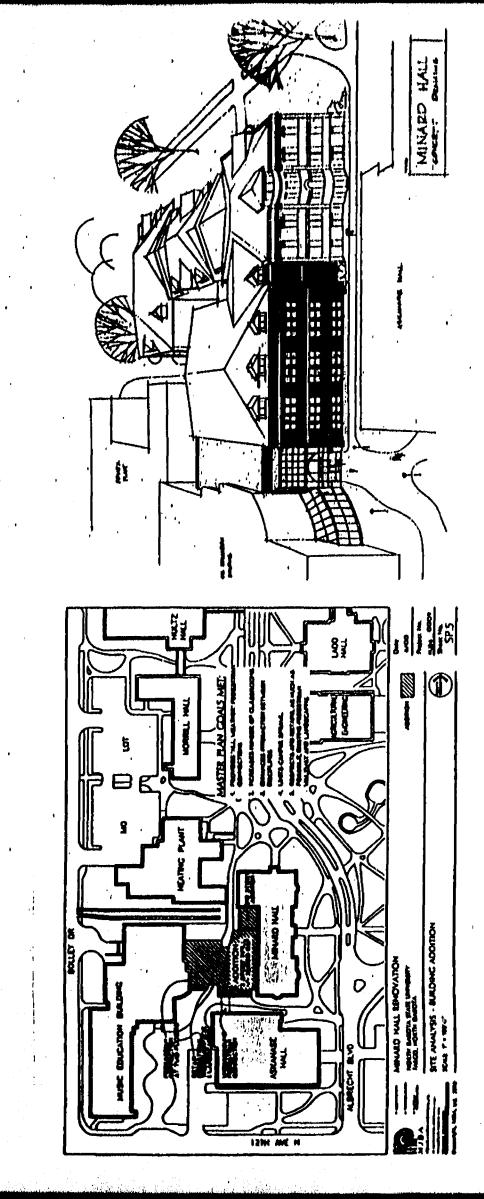
The building exterior is structurally sound with the interior in need of complete renovation after 30 years of heavy use. To accomplish this major renovation project, the work must be done in phases so as to maintain partial use of the building during the construction period. This renovation project is to include a building addition to accommodate relocation of the Psychology Department. (Freeing up this space in Minard Hall will provide relocation space during construction and provide additional classroom and faculty office space.) The building addition will provide faculty offices, research laboratories, and computer laboratories presently located in Minard Hall. Funding for this project will be provided through state bonding.

NOTE: The State Board of Higher Education approved this project, as described above, in June 2000 and included it as the No. 6 priority in the 2001-2003 capital improvement project listing. Subsequent to that approval, the architectural firm assigned for preliminary planning for the project has completed their assessment.

Due to this assessment, space requirements for classrooms, faculty and general offices and code compliance issues, i.e., asbestos, ADA, etc. have been determined. Code compliance issues will actually result in a reduction to the total usable space in the existing building, thus requiring the addition. The addition will also provide for classroom space required for existing enrollment.

Originally, the project was estimated at \$9,675,000. New estimates were developed by the architect and Phase I was approved by the State Board of Higher Education in September 2000 for inclusion in the campus major project list. Delaying the start of the project would increase construction costs and cost of short-term repairs.

The Minard Hall Renovation project would span two biennia. The request for funding the addition, Phase I (\$4,845,100), will be made for the 2001-2003 biennium to be followed by a request for funding the renovation of the existing building, Phase II (\$9,079,200), 2003-2005.



### North Dakota State University January 18, 2001

### Ceres Hall Renovation - Phase II

\$3,000,000

Built in 1910, Ceres Hall has been gradually converted from a student dormitory to administrative offices for student services. During previous biennia, remodeling has included the installation of an elevator, re-shingling of the roof, installation of a sprinkler system, and renovation of the west one-half (Phase I). Although the building is over 80 years old, it is worthy of retention and a good investment for improvement funds.

Student service functions (Counseling, Financial Aid, Student Academic Affairs, Admissions. Career Services, International Programs, Cooperative Education, Project Success, Multicultural Student Services, TRIO Programs, and University Registrar) have been relocated into Ceres Hall in an effort to consolidate student services. Strong consideration is also being given to relocation of the University Business Office into this building to further compliment the consolidation of services.

The project will include: asbestos abatement from third floor east and north wings; remodeling third floor into office suites in east and north wings; air conditioning second and third floors of east and north wings; infill of existing courtyard to provide new space and include elevator and exit stairs; tuckpointing all exterior masonry; and rewindowing of entire building.

Completion of this phase will complete consolidation of Student Services and will complete the renovation of Ceres Hall.

Funding for this project will be provided through state bonding with no additional operational costs being requested, as the building will not be enlarged.

# NORTH DAKOTA STATE UNIVERSITY ENERGY MPROVEMENT PROGRAM

The State Facility Energy improvement Program was introduced and passed by the Fifty-sixth Legislative Assembly. This program allows the State to bond for energy conservation programs. The utility cost savings associated with these planned modifications are intended to cover the debt service costs.

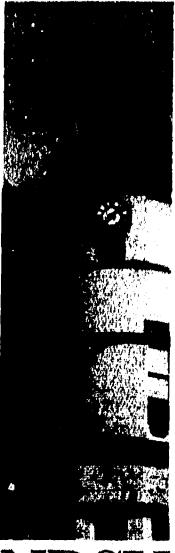
Following are the proposed projects for NDSU:

•		Estimated	Estimated Estimated Payback	Paydeck
Bollding	Project	<b>18</b>	Savings	2000
agineering Administration	Lighting Retroft and Controls	\$12,82	\$1,206	3
Civil & Ind. Engineering	Lighting Retroff and Controls, vending machine & pneumatic room controls	127,023	\$7,390	6.8
Architecture	Lighting Retrofit and vending machine controls	\$12,031	22,063	5.8
Electrical Engineering	Lighting Retroff, and Controls, vending machine & pneumatic room controls	\$42,735	\$5,478	6.5
John Hall/Mech. Engineering	Lighting Retroff, vending machine controls and oneumetic room controls	\$55,829	57,970	7.0
Architectural Quensel	Lighting Retroff and vending machine controls	52.53	\$746	7.3
Engineering Complex	Energy mngsk controls, insulation, computer & monitor operational shuldown and high pressure steem shuldown	\$120,131	\$16,477	27
TOL		\$226,348	\$296,348 \$42,350	7.0

# 2001-03 House Appropriations Hearing

Rep. Mike Timm, chair 8 a.m. - noon Monday, March 19, 2001

> Capital Projects SB 2023



NDSU
President Joseph A. Chapman

### **NORTH DAKOTA STATE UNIVERSITY**

RESIDENCE HALL \$ 8,000,000

Based on the current trend of enrollment, the anticipated population at North Dakota State University is expected to continue increasing. This enrollment increase, together with the increased retention of approximately 7% of our current residents, has created the need for temporary housing each academic year since 1994. Approximately 80-100 students are placed in temporary areas. As this trend continues, the concern grows that students may not consider NDSU as an option due to the consistent housing shortage.

To meet the needs of these students, a new residence hall is required. The needs of future students must be met with a facility which is state-of-the-art in every way. Technology, services and programs are to be blended together to provide these students with the best learning environment possible. This new facility must meet the ever-changing needs of the upper-class student resident as well as assist in providing a permanent bed to each incoming freshman.

The facility size should be no less than 200 beds (approximately 47,000 sq. feet) consisting of suites, apartments and/or single rooms and room for students with disabilities. Adequate facilities and services must be provided to the students including internet access, cable TV, air conditioning, adequate laundry facilities, larger kitchen areas, fast food or short order food capabilities, card key entry, meeting and study areas, and other enhancements designed to provide the best available housing for the most reasonable fee.

Funding for this project will be provided through Self-Liquidating Bonds. Operational costs would be incurred beginning the second year of the 2003-2005 blennium and would include salaries for 4.5 FTE and salaries for student/part-time employees. The FTE include 2.5 custodial positions, one hall director, and one assistant hall director. These salaries, as well as general operating costs to run the facility, will be paid with auxiliary funds consisting of monles obtained from rent fees. The only general funds needed would be to cover utilities estimated at \$63,450 per year.

### **NORTH DAKOTA STATE UNIVERSITY**

### CAPITAL PROJECTS NOT FUNDED

#### MINARD HALL RENOVATION - PHASE I

\$ 3,000,000

Minard Hall is a 78,000 square foot classroom and faculty office building constructed in three (3) phases beginning in 1903. It has been renovated a number of times over the past 97 years to meet the changing uses of the building. The last renovation was in the late 1980's when windows were replaced, an elevator added, ventilation and air conditioning added, heating and electrical systems upgraded and space rearranged and decorated.

Minard Half is presently the main classroom building on the campus and is located in the University's historical district. It houses the College of Humanities and Social Sciences, and the Psychology and Mathematics Departments of the College of Science and Mathematics.

The building exterior is structurally sound with the interior in need of complete renovation after 30 years of heavy use. To accomplish this major renovation project, the work must be done in phases so as to maintain partial use of the building during the construction period. This renovation project is to include a building addition to accommodate relocation of the Psychology Department. (Freeing up this space in Minard Hall will provide relocation space during construction and provide additional classroom and faculty office space.) The building addition will provide faculty offices, research laboratories, and computer laboratories presently located in Minard Hall. Funding for this project will be provided through revenue bonds paid from other funds, excluding student fees.

NOTE: The State Board of Higher Education approved this project, as described above, in June 2000 and included it as the No. 6 priority in the 2001-2003 capital improvement project listing. Subsequent to that approval, the architectural firm assigned for preliminary planning for the project has completed their assessment.

Due to this assessment, space requirements for classrooms, faculty and general offices and code compliance issues, i.e., asbestos, ADA, etc. have been determined. Code compliance issues will actually result in a reduction to the total usable space in the existing building, thus requiring the addition. The addition will also provide for classroom space required for existing enrollment.

Originally, the project was estimated at \$9,675,000. New estimates were developed by the architect and Phase I was approved by the State Board of Higher Education in September 2000 for inclusion in the campus major project list. Delaying the start of the project would increase construction costs and cost of short-term repairs.

The Minard Hall Renovation project would span two blennia. The request for funding the addition, Phase I (\$3,000,000), for the 2001-2003 blennium to be followed by a request for funding the renovation of the existing building, Phase II (\$9,079,200), 2003-2005.

### Department 241 - Minot State University Fenate Bill Nos. 2003, 2023

2001-03 Schafer Executive Budget	FTE Positions 266.21	General Fund \$25,230,343	Other Funds \$7,850,000*	Total \$33,080,343
1999-2001 Legislative Appropriations	266.211	25,615,173	30,505,787	56,120,960
Increase (Decrease)	0.00	(\$384,830)	(\$22,655,787)	(\$23,040,617)
2001-03 Hoeven Executive Budget	266.21	\$25,405,343	\$7,675,000	\$33,080,343
Hoeven Increase (Decrease) to Schafer	0.00	\$175,000	(\$175,000)	\$0

<sup>\*</sup> Includes \$5,076,000 for Old Main renovation contained in Senate Bill No. 2023.

### Major Schafer Recommendations Affecting Minot State University 2001-03 Budget

	major consist Necommendations Anathring minor	State Chirefully 20	ol-on mandar	
, 1.	Consolidates funding into two line itemsoperations and capital assets.	General Fund	Other Funds	Total
2.	Provides funding in the capital assets line item for:			
	a. Old Main renovation consisting of \$5,076,000 in bond proceeds (Senate Bill No. 2023) and \$2,774,000 of local funds.		\$7,850,000	\$7,850,000
	b. Extraordinary repairs of \$412,850, which is a decrease of \$637,616 from the funding provided in the 1999-2001 biennium of \$1,050,466.	(\$637,616)		(\$637,616)
3.	Removes appropriations for tuition, continuing education, and other income.		(\$13,860,871)	(\$13,860,871)
· <b>4</b> ,	Removes appropriation for local funds.		(\$15,000,000)	(\$15,000,000)
5.	The executive recommendation does not include funding for recommended compensation plan salary increases of three percent of salaries the first year of the blennium and two percent for the second year. Funding for institutions' salary increases is pooled and provided in the North Dakota University System office budget for the State Board of Higher Education to allocate to inclividual institutions.			

### Major Hoeven Recommendations Affecting Minot State University 2001-03 Budget Compared to the Bill as Introduced (Schafer Budget)

	General Fund	Other Funds	Total
1. Decreases special funds and adds funding from the general fund in the	\$175,000	(\$175,000)	\$0
amount of \$175,000 for the Old Main renovation project.		,	

 Increases the amount of bond proceeds for the Old Main renovation project to \$7,675,000 to allow the university to bond for the matching local funds of \$2,599,000.

The 1999-2001 appropriation is based on 258.93 FTE positions. Section 6 of 1999 House Bill No. 1003 authorized the University System to adjust FTE positions as needed. The 266.21 FTE positions shown above represent the employee positions reported to the Office of Management and Budget (OMB).

<sup>&</sup>lt;sup>2</sup> The 1999-2001 appropriation amounts include \$21,245 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000, \$166,473 from the general fund for the agency's share of the \$2,630,992 critical salary funding pool appropriated to the University System to address additional salary increases beyond legislative appropriations for market and equity raises, and \$183,722 from the general fund for the agency's share of the \$4,290,128 equity and special needs funding pool appropriated to the University System to address equity funding issues and special academic program needs. The 1999-2001 appropriation amounts do not include \$1,558,953 of other adjustments and 1997-99 carryover authority.

### Major Legislation Affecting Minot State University

Senate Bill No. 2023, as discussed earlier, provides authority to issue bonds up to \$5,076,000 for the renovation of Old Main at Minot State University. In addition, Section 7 of Senate Bill No. 2003 requires a minimum local match of \$2,774,000 for renovation of Old Main.

Senate Bill No. 2037 provides a continuing appropriation of higher education institutions' special revenue funds including tuition allows institutions to carry over at the end of the blennium unspent general fund appropriations.

Senate Bill No. 2038 requires the budget request for the University System to include budget estimates for block grants for a base-funding component and for an initiative-funding component and a budget estimate for an asset-funding component and requires the appropriation for the University System to include block grants to the State Board of Higher Education for a base-funding appropriation and for an initiative-funding appropriation and an appropriation for asset-funding.

Senate Bill No. 2039 allows the State Board of Higher Education to authorize campus improvements and building maintenance projects that are financed by donations, gifts, grants, and bequests if the cost of the improvement or maintenance is not more than \$500,000.

Senate Bill No. 2040 allows higher education institutions to provide bonuses, cash incentive awards, and temporary salary adjustments to employees without reporting the activity as a fiscal irregularity.

# MINOT STATE UNIVERSITY



Senate Appropriation Hearings Fifty-Seventh Legislative Assembly January 18, 2001—Senate Bill 2023 Budget Number 241



Office of the President

January 17, 2001

Senator Dave Nething North Dakota Senate 600 East Boulevard Avenue Bismarck, ND 58505

Dear Senator Nething:

Just a brief note to explain my absence from today's hearing on SB2023.

Over a month ago we at Minot State University, in conjunction with our McFarland Auditorium Capital Campaign, had scheduled an event acknowledging the lead corporate donor to the project. At practically the same hour that you will be hearing testimony on our Old Main project, we will be holding a press conference and celebration luncheon on campus for ING/ReliaStar, one of our newer corporate neighbors here in Minot. Mr. Michael Dubes, President and CEO of ING/ReliaStar will be presenting a check for \$250,000 to the University in support of our current \$2.5 million local match objective. It was determined that I should be present to officially accept this substantial gift and to encourage a continuing relationship with this generous corporate partner.

I have asked Mr. Eide to testify on our behalf and am confident that he will do his usual fine job representing me and the institution. As I indicated in our recent appearance before your Senate Appropriations Committee, we at MSU are all part of a team, and we are working toward a common goal: what is in the best interest of our students and the citizens of North Dakota. Larry has all the information and since he lives the project every day, is able to respond to any questions you and your fellow committee members may have.

Again, I apologize for not being able to be with you at this critical hearing. If there are questions that require my response my secretary will be able to get me to a telephone with dispatch. Thank you for your understanding.

Sincerely.

H. Erik Shaar President

# Minot State University 2001-03 Budget Old Main Renovation Project Senate Bill 2023 January 18, 2001

1999-01 Biennium	Old Main fourth priority on the SBHE list – top three projects were funded
2001-03 Biennium	
June 1999 –	Old Main first priority on SBHE capital projects priority list
December 1999 –	Old Main first priority project recommended for preplanning funds by Office of Management and Budget
December 1999 –	Budget Section approved \$65,000 for preplanning Old Main Renovation Project
September 2000 —	Preplanning report completed.  SBHE supported budget request of \$5,640,000 State funding and \$2,210,000 local funding
December 2000 –	Executive recommendation \$5,076,000 of State funding and \$2,774,000 of local funding
January 2001	Executive recommendation (revised) \$5,251,000 of State funding and \$2,599,000 of local funding

### Minot State University requests:

- (A) Local funding be reduced to \$2,210,000 and State funding increased to \$5,640,000 and
- (B) Approval of proposed amendments to include local funds in State Bonding authority and all funding sources for the project be included in SB2023.

# OLD MAIN / McFARLAND AUDITORIUM RENOVATION Minot State University - Minot, North Dakota

UMMARY OF THE PROJECT COSTS		
MECHANICAL AND ELECTRICAL SYSTEMS		
Mechanical Systems	\$1,310,800.00	
Electrical systems	731,857.61	\$2,042,657.61
Mechanical and Electrical Space		Ψ2,042,057.01
First Floor Mechanical & Electrical (Addition)	\$ 203,150.00	
4th Floor Mechanical (Renovation)	69,750.00	
4th Floor Mechanical (Addition)	48,000,00	320,900.00
General Conditions @ 10%	\$ 32,090.00	7 - 3,F 3 3 1 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Contractor OH&P @ 15%	52,948,50	85,038.50
Hazardous Material Abatement	\$ 100,000.00	,
Bond @ 1.5%	38,228,94	138,228,94
Total Mechanical and Electrical		\$2,586,825.05
Escalation Factor to 2001 (3.5%)	\$ 90,538.88	
Escalation Factor to 2002 (3.5%)	93.707.74	184.246.62
Total M & E related construction costs including escalation	a factors	\$2,771.071.67
ACADEMIC SPACE RENOVATION AND ADDITION		
	<b></b>	
Academic Space Renovation	\$1,252,079.50	
Academio Space Addition	422,500.00	
Exterior Building Repair	78.875.00	\$1,753,454.50
General Conditions @ 10%	\$ 175,345.45	424 228 44
Contractor OH&P @ 15%	289,319,99	464,665.44
Hazardous Material Abatement	\$ 50,000.00	04.001.00
Bond @ 1.5%	34.021.80	84.021.80
Total Academic Space Addition and Renovation	ው <u>በ</u> ስ ደግል ስረ	\$2,302,141.74
Escalation Factor to 2001 (3.5%)	\$ 80,574.96	162 070 04
Escalation Factor to 2002 (3.5%)  Total Academic Space costs including escalation factors	<u>83.395.08</u>	<u>163,970.04</u> <b>\$2,466,111.78</b>
Total Academic Space costs including escalation factors		34,400,111./0
AUDITORIUM SPACE RENOVATION AND ADDITION	<del>-</del>	
Auditorium Space Renovation	\$ 653,430.00	
Auditorium Space Addition	234.600.00	\$ 888,030.00
General Conditions @ 10%	\$ 88,803.00	
Contractor OH&P @ 15%	146.524.95	235,327.95
Theatrical Equipment/Seating/FFE	\$ 600,000.00	
Bond @ 1.5%	16,850,37	616.850.37
Total Auditorium Space Addition and Renovation		\$1,740,208.32
Escalation Factor to 2001 (3.5%)	\$ 60,907.29	404 4444
Escalation Factor to 2002 (3.5%)	63.039.05	<u>123.946.34</u>
Total Auditorium Space costs including escalation factors		\$1.864.154.66
TOTAL ESTIMATED CONSTRUCTION COSTS		\$7,101,338.11
(The following includes escalation factors to 2002)		
Design Contingency @ 5%	\$ 318,157.79	
Architectural and Engineering Design Fees	429,567.17	<u>747.724.96</u>
TOTAL PROJECT COSTS		\$7.249.063.07

# SUMMARY REPORT PHASE I PREPLANNING ANALYSIS OF

# OLD MAIN / McFARLAND AUDITORIUM RENOVATION

September 8, 2000







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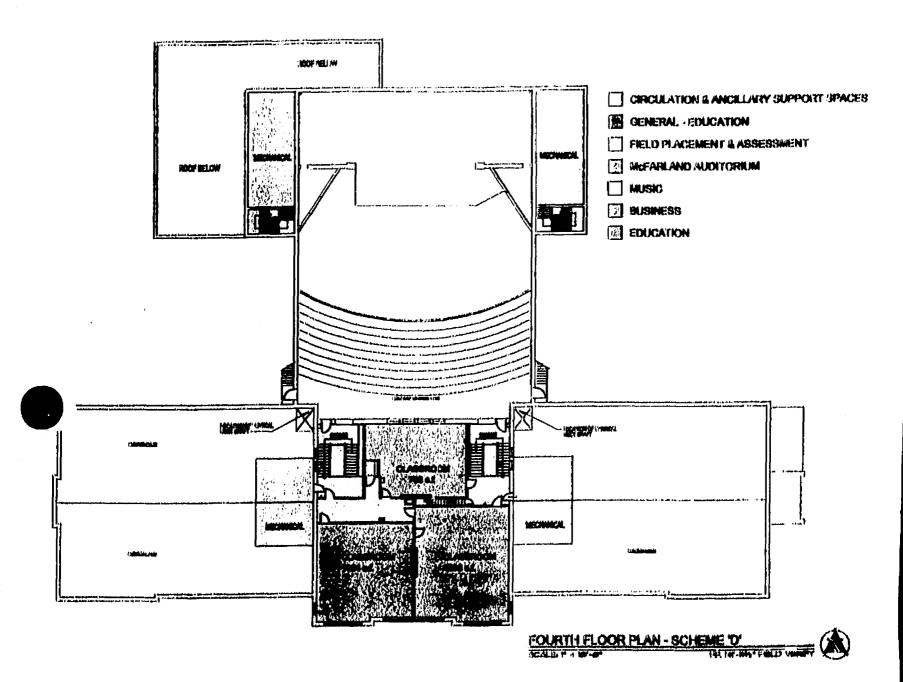
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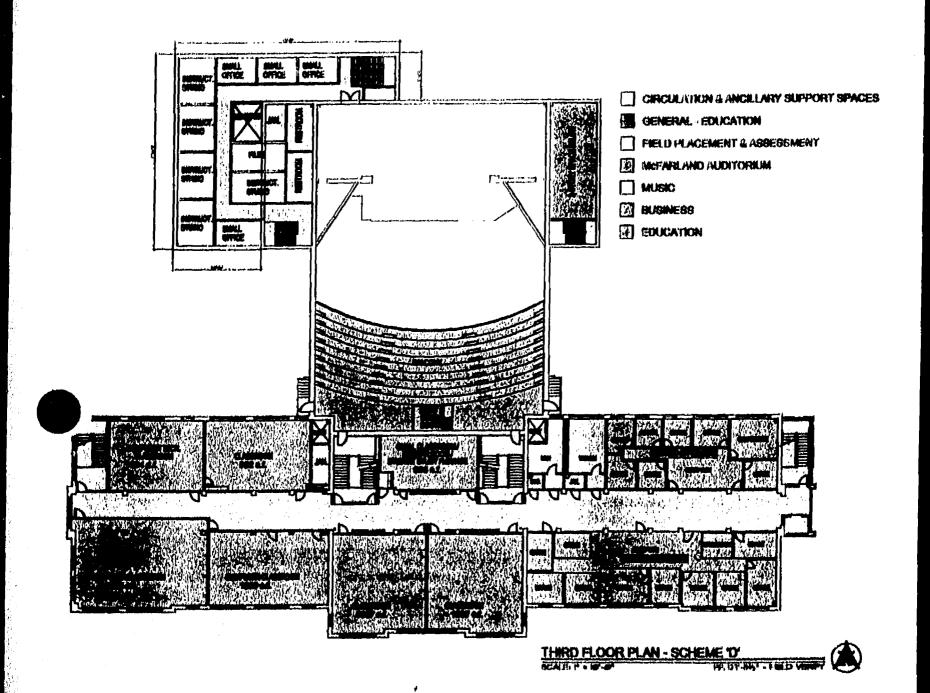
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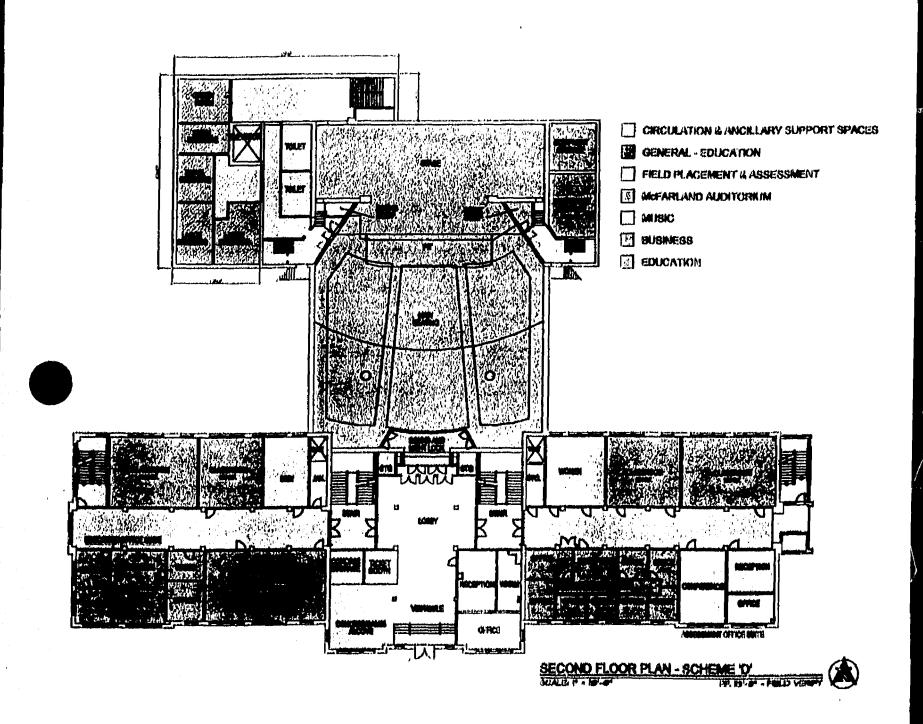
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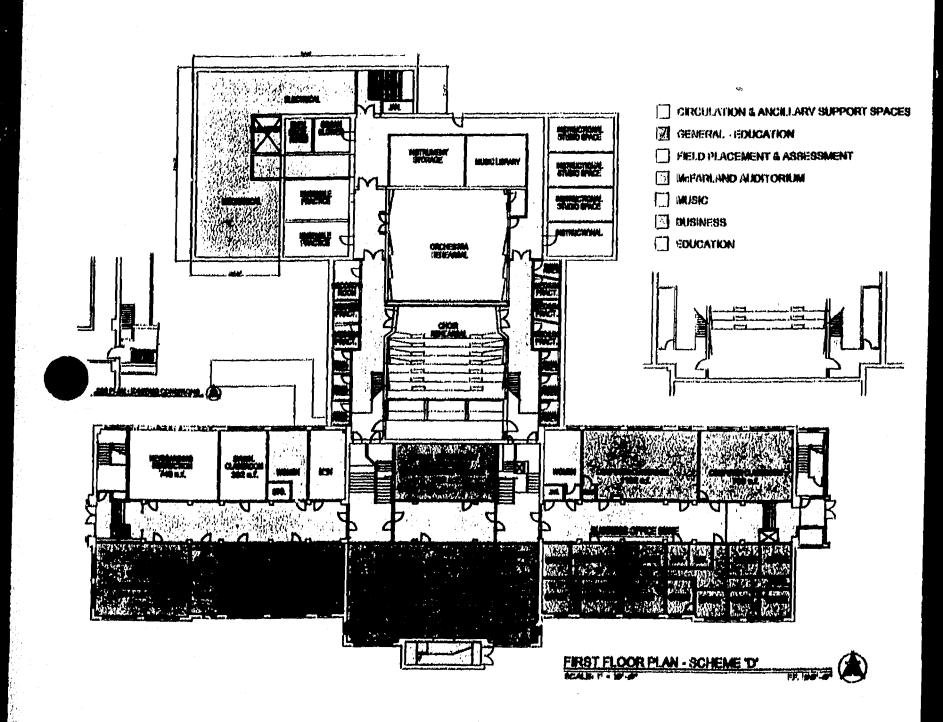
www.quinnevans.com

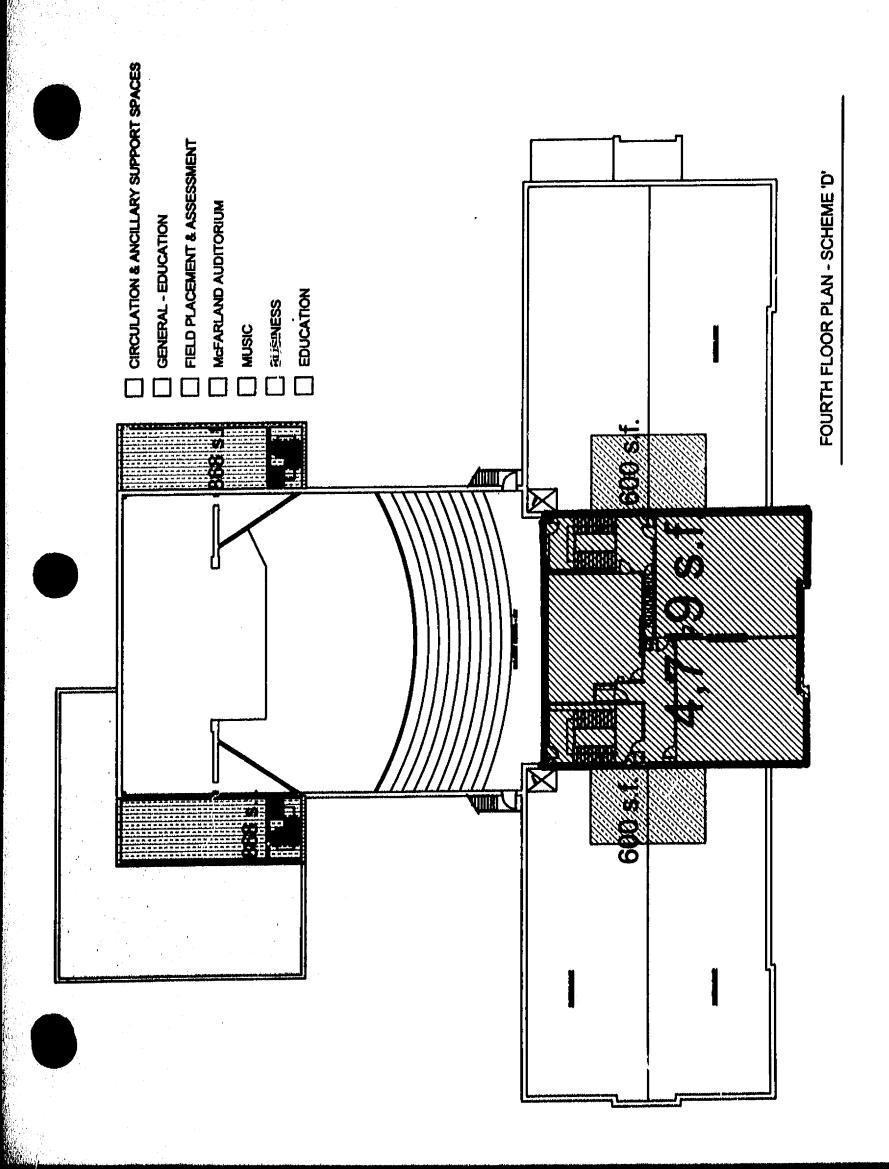


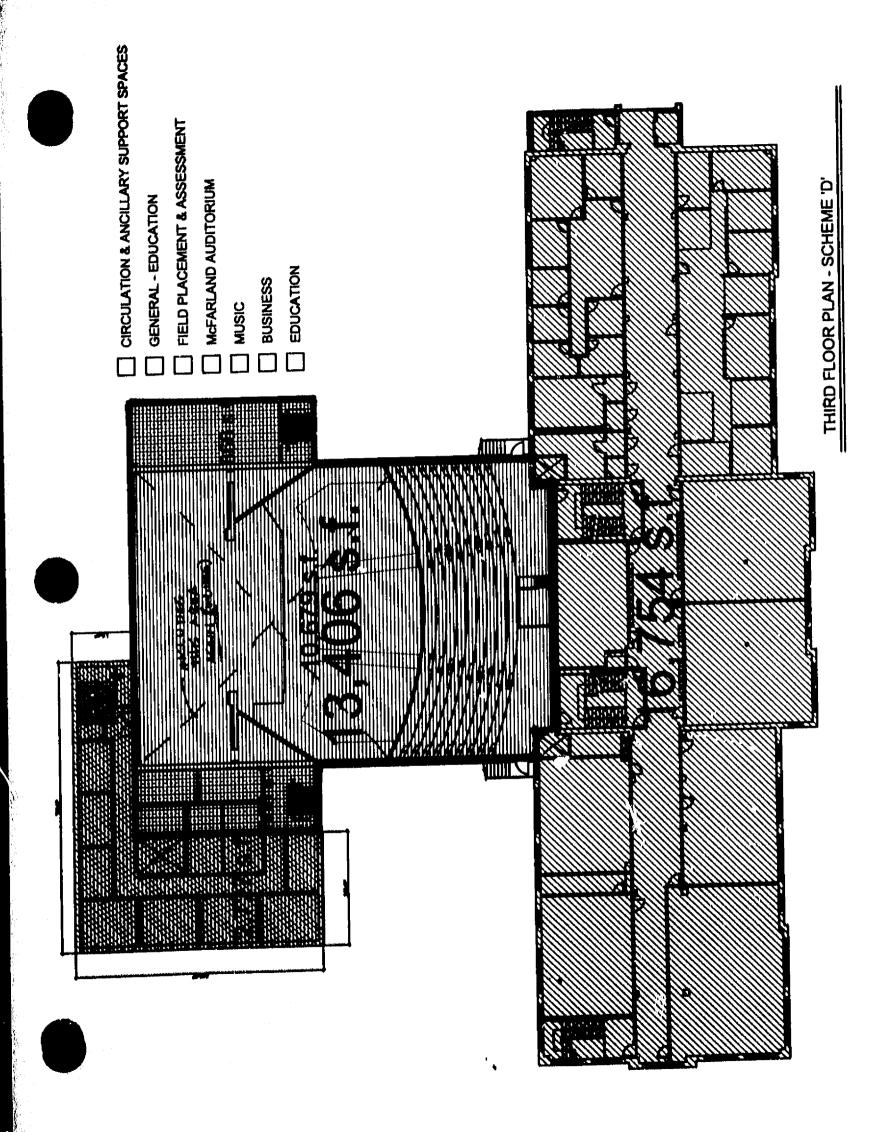


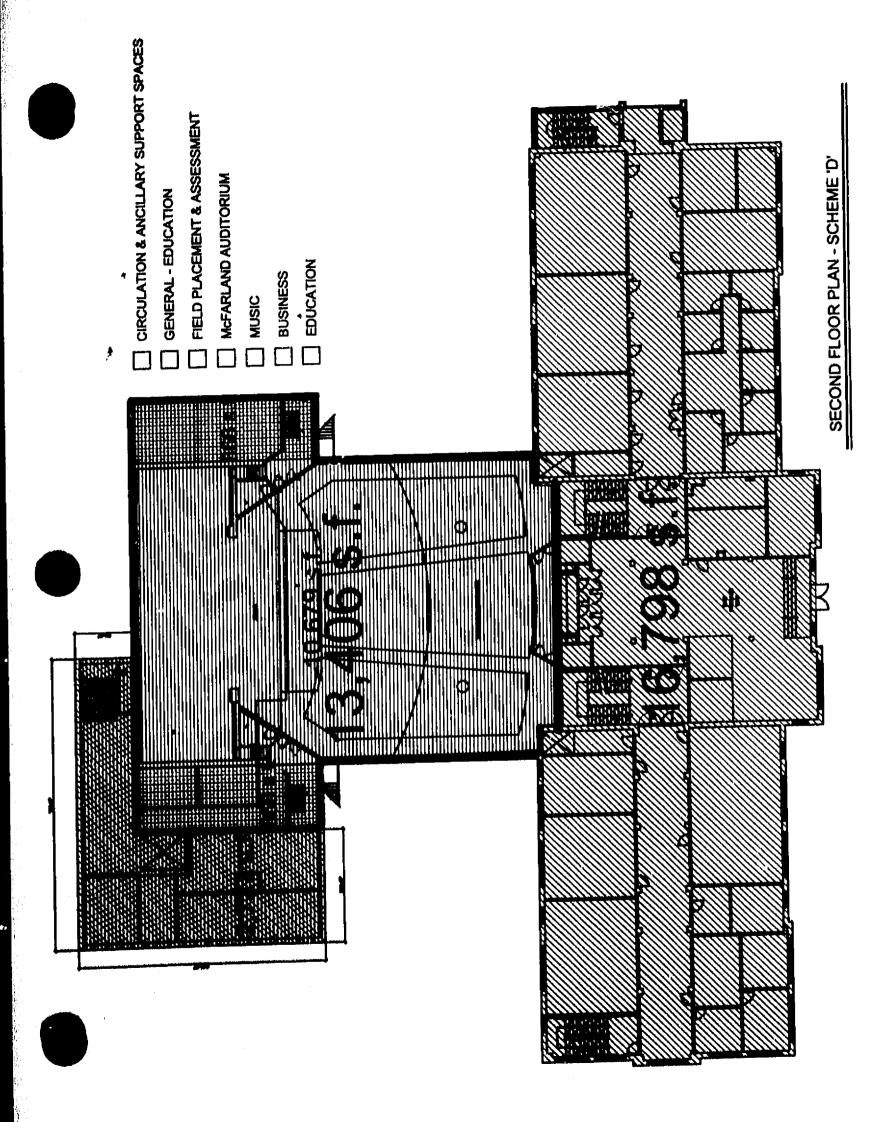
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CIRCULATION & ANCILLARY SUPPORT SPACES FIELD PLACEMENT & ASSESSMENT MCFARLAND AUDITORIUM GENERAL - EDUCATION 13745年 FIRST FLOOR PLAN - SCHEME 'D' ☐ EDUCATION BUSINESS MUSIC H Dest the Ploc Ground Level

### MINOT STATE UNIVERSITY



House Appropriation Hearings Fifty-Seventh Legislative Assembly March 19, 2001—Senate Bill 2023 Budget Number 241

### Minot State University 2001-03 Budget Old Main Renovation Project Senate Bill 2023 March 19, 2001

1999-01 Biennium -

Old Main renovation fourth priority on the State Board of Higher Education's major capital projects priority list. Priorities 1, 2 and 3 were authorized by the Legislature.

2001-03 Biennium -

July 1999 -

Old Main renovation first priority on State Board of Higher

Education's major capital projects priority list.

December 1999 -

Old Main renovation first priority project recommended by the Office of Management and Budget for preplanning funds.

December 1999 -

Budget Section approved \$65,000 from the revolving fund for preplanning the Old Main project.

September 2000 -

Architect and engineers completed the preplanning report.

Cost to demolish and replace \$16,190,000 Cost to renovate \$7,850,000

The State Board of Higher Education authorized Minot State University to request authorization for the project at a cost of \$7,850,000.

Funding Sources:

State Funds
Local Funds

\$ 5,640,000 2,210,000 \$ 7,850,000

December 2000 –

Executive (Schafer) recommendation:

 State Funds
 \$ 5,076,000

 Local Funds
 2,774,000

\$ 7,850,000

January 2001 --

Executive (Hoeven) recommendation:

 State Funds
 \$ 5,251,000

 Local Funds
 2.599,000

 \$ 7,850,000

February 2001 -

Engrossed Senate Bill 2023:

 State Funds
 \$ 5,251,000

 Local Funds
 2.599,000

 \$ 7,850,000



# Major Capital Projects

Murphy Hall Renovation and Addition

SB 2023 Testimony January 18, 2001

### DICKINSON STATE UNIVERSITY 2001-2003 CAPITAL BUDGET PROJECT

**PROJECT: MURPHY HALL RENOVATION/ADDITION** 

CATEGORY: Major Renovation/Addition PROJECTED COST ESTIMATE: \$6,781,155

RECOMMENDED SOURCE OF FUNDING: State General Fund

### PROJECT NARRATIVE

Murphy Hall was built as a classroom facility in 1963 to serve the needs of the Division of Natural and Mathematical Sciences. Today, 37 years later with no major upgrades, Murphy Hall serves all of the natural sciences; Biology, Chemistry, and Physics as well as hosting support courses for the programs of Agriculture, Nursing and Teacher Education. Program enrollments reflect the growing demand for agronomists, science teachers, nurses, and med-tech personnel within North Dakota. The state's agriculture sector is placing increased emphasis on scientific research and knowledge to increase efficiency and maximize production.

Dickinson State University's mission statement calls upon the institution to provide educational services to the predominantly rural citizenry of the region at the bachelor of arts and associate degree levels. A firm foundation in the liberal arts, including natural sciences, is needed for both degrees. Moreover, the institution's mission is to provide support for the economic well-being and growth of North Dakota. Dickinson State University cannot continue to fulfill its mission adequately without a modern science facility providing for a safe and efficient learning/teaching environment.

The institution's current enrollment of 2,012 students more than doubles the enrollment of 912 students in 1963. The success of the institution in attracting students is creating logistical problems as students compete for laboratory time and faculty are challenged to increase class sizes within limited and inadequate confines. Safety issues are of great concern as students crowd sub-standard workstations and fume hoods. The original HVAC systems being thirty-seven years old are no longer capable of maintaining air quality and balanced temperatures conducive to a teaching/learning environment. Makeshift apparatuses are being utilized to address facility shortfalls while the lack of adequate chemical/specimen storage areas and the presence of asbestos structural materials pose definite liability threats. The Budget Committee on Government Services had an opportunity to view Murphy Hall during their campus tour. Many of their comments echoed the institution's concerns relative to safety, health, building code, equipment, and energy conservation issues.

Dickinson State University was successful in acquiring \$45,000 from the Office of Management and Budgets' facility preplanning fund. The revolving fund was established by NDCC 54-27-22 for the purpose of addressing consulting and planning fees for proposed capital projects. Murphy Hall is structurally sound but needs immediate attention if it is to be effective as one of the primary facilities serving our students. The institution through the OMB funded planning process worked with the architectural firm of Hulsing & Associates of Dickinson, ND in conjunction with a nationally recognized consulting firm specializing in science/laboratory facilities, Research Facilities Design (RFD), to design an educational facility that addresses immediate needs and provides for adequate and appropriate space in support of envisioned change.

During the programming phase of this project, it was found that the existing building of 26,592 square feet did not meet the needs of the institution. After reviewing courses that were taught in this building, numbers of sections, past enrollments, and courses that need to be added to the curriculum, a program of space requirements was developed. The program showed a need of an additional 32,018 square feet to bring the building to a total of 57,384 square feet. The schematic design cost estimate relative to the proposed facility totals \$6,781,155.

Due to the presence of asbestos in the existing building the project must be phased. This would require that construction funding authority be available for two consecutive bienniums. Phase I would include the construction of the addition while the existing building remains occupied. Egress from the occupied building would need to be maintained throughout the construction of the addition. Phase II of the project would involve relocating specifically identified operations from the existing building into the addition while the asbestos was removed and the existing structure was remodeled.

### FUTURE INCREASED COSTS ASSOCIATED WITH PROJECT APPROVAL

	2001-2003	2003-2005	2005-2007
FTE Employees	2	2	2
Salaries & Wages Operating Expenses	\$ 51,512 164,054	\$ 107,708 199,049	\$ 114,269 205,853
Equipment Total General Fund	<u>742.514</u> \$ 958,080	<u>75,000</u> \$ 381,757	<u>75,000</u> \$ 395,122
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During the 2001-2003 biennium, salaries and wages would be utilized for only the second year in the biennium. Operating expenses reflect current pro-rata square foot costs of current facility operations for only the second year of the 2001-2003 biennium. Additional supply costs during the first biennium shall be incurred in support of lab start-ups (glassware, etc.). Laboratory equipment to compliment the new facilities makes up a large part of the first biennium's estimated cost total. Future biennia reflect the anticipated routine costs of doing business.

# MURPHY HALL RENOVATION AND EXPANSION DICKINSON STATE UNIVERSITY

# SCHEMATIC DESIGN COST ESTIMATE September 21, 2000

ASBESTOS REMOVAL		\$	106,368
GENERAL CONSTRUCTION			3,296,405
MECHANICAL CONSTRUCTION	DN		1,790,000
ELECTRICAL CONSTRUCTIO	N		<b>8</b> 35,950
ALTERNATE SOUN	D SYSTEM		19,600
ALTERNATE CLOC	K System	•	19,285
	SUBTOTAL	\$	6,067,608
CONTINGENCY 5%		•	303,380
	COMSTRUCTION TOTAL	\$	6,370,988
ARCHITECTURAL AND ENGINEERING FEES			
LESS 525,000 FOR SCHEMATIC	DESIGN	_	410.167
	TOTAL	s	6,781,155

# EMERGENCY ALERT -- POTENTIALLY HAZARDOUS LEVELS OF TOXIC FUMES BEING CIRCULATED WITHIN MURPHY HALL

On Tuesday, September 12, 2000, Dickinson State University was informed by Mr. Ed Johnson, the consultant providing an on-site review of Murphy Hall facilities as a part of the Capital Project Pre-planning process, that there exists a potentially hazardous situation within Murphy Hall which could have associated health risks. The consultant detected that the ventilation system was inadequately exhausting toxic fumes associated with a laboratory experience allowing the toxic fumes to be circulated throughout the facility. The substance involved in this incident was formaldehyde. The material safety data sheet referenced to identify the potential associated health hazards states that formaldehyde is "Toxic. May cause cancer. May cause heritable genetic damage. Toxic by inhalation, in contact with skin, and if swallowed, causes burns. May cause sensitization by inhalation and skin contact. Readily absorbed through skin. Target organs: Eyes, Kidneys..." Recognizing that this is not an isolated incident and that the inadequacy of the HVAC systems may indeed foster a hazardous environment throughout Murphy Hall, the institution has taken the following action:

- Hired Badlands Environmental Consultants, Inc. to gather samples and perform air quality analysis within Murphy Hall to verify the presence and levels of concentration of formaldehyde in the building's environment.
- Engaged the services of Prairie Engineering to identify deficiencies within the existing ventilation system and propose effective remedies that would immediately address the situation.
- Notified the North Dakota University System staff of the potentially hazardous situation in an effort to obtain guidance relative to approaching the situation and to inform the staff of the potential need for emergency fiscal resources in support of upgrading the ventilation system.
- Created a higher level of awareness in faculty and administrators associated with the supervision of laboratory experiences of the need for them to seek alternative approaches to their laboratory experiments which would minimize/eliminate any potentially uncontrolled human exposure to hazardous materials.

Results of the air quality tests performed by Badlands Environmental were received on September 19. We were informed that OSHA's permissible exposure level relative to formaldehyde is .75 parts/million. The air sample taken within the laboratory setting contained 1.2 parts per million (ppm), a level well over OSHA's permissible exposure limit for a sustained period of time. The hallway air sample recorded .16 ppm, a level within the established OSHA limit. According to a "time weighted average" formula that OSHA uses to determine potential health risks, the amount of exposure time to a given toxic level becomes a crucial element. The "time weighted average" calculated in relationship to a typical two hour laboratory experience would factor to an exposure level

of .31 ppm, well below the .75 ppm OSHA standard. This factored level along with the levels found in the hallways indicate that there is not an immediate health risk to the students. The greater risk may be to faculty and staff members who spend increased exposure time within the facility on a regular basis. As we approach the cool weather seasons, air quality conditions may worsen as the HVAC systems bring in less outside air and instead recirculate more of the inside air. Of additional concern to the institution is that this specific incident focuses our attention on formaldehyde when there are many other toxic chemicals stored within Murphy Hall and utilized within the laboratory experiences.

Prairie Engineering has also responded with a short-term fix to conditions existing on the west side of the building where the major chemistry stockroom and biology laboratories exist. It would consist of installing a large upblast exhaust fan on the roof and drawing from the two floors below. A new make-up air unit would be needed to heat the increased intake amount of fresh air. A fire detection system that would immediately shut down the HVAC systems in the case of fire is a must. The cost associated with these proposed modifications is estimated at \$120,000.

Given the recommendation of Ed Johnson, our national consultant with Research Facilities Design, and after considering the findings relative to the air quality tests, and recognizing that there is a potentially greater immediate risk associated with other toxic substances being utilized within the facility, Dickinson State University requests the following:

- That the State Board of Higher Education allow the institution to work with the Chancellor to identify and implement appropriate short-term measures to address the air quality issues in Murphy Hall
- That the State Board of Higher Education authorize the Chancellor to utilize existing Board Contingency Funds in addressing short-term remedies.
- That the State Board of Higher Education reconsider the existing prioritization of the 2001-2003 Campus Major Capital Projects recognizing the immediate need to address the safety hazards in Murphy Hall on a long-term basis.

With the Legislative Council Budget Committee on Government Services and local legislators being on campus for their Legislative Budget Tour on Tuesday, September 19, the known elements associated with the potentially hazardous conditions within Murphy Hall were shared with the group. Chancellor Larry Isaak was in attendance at the meeting. State Board of Higher Education President Bill Isaacson was informed of the findings of Badlands Environmental Consulting. In an effort to inform the University community of the situation, a memo has been sent from President Dr. Lee A. Vickers explaining the specifics regarding this situation assuring that any threat to the health and safety of Dickinson State University students, faculty, or staff will be dealt with immediately.

## MURPHY HALL "SHORT TERM" AIR QUALITY IMPROVEMENT PROGRESS

The State Board of Higher Education authorized the Chancellor to utilize Board Contingency Funds in an amount not to exceed \$150,000 to perform emergency measures designed to improve the air quality standards within Murphy Hall. The institution acquired architectural and engineering services to develop a process to increase the amount of air movement supporting the structure within the limitations of the facility. The design called for the surface mounting of additional duct work serving the laboratories. This additional duct work is complemented by a make-up air unit and several exhaust fans. The presence of asbestos throughout the facility has created several challenges but contractors have responded in great fashion. Semester break is serving as the time to bring the project together. With a completion date set for January 8, 2001, the institution is encouraged that improved air quality standards will exist within Murphy Hall at the start of Spring Semester.



### MEMORANDUM

DATE:

**September 20, 2000** 

REMARCH

TO:

Janet Prchal, Hulsing Associates, P.C.

PACALITIES DESIGN

PROJECT:

Dickinson State University - Murphy Hall

Dickinson, ND

RFD Project No. 2000022-41

FROM:

Edward G. Johnson

SUBJECT:

**D\$U Murphy Hall** 

On September 12 representatives from Hulsing Associates, Prairie Engineming, Research Facilities Design and DSU reviewed existing conditions at Murphy Hall relative to current building code and life safety standards. The comments below reflect our observations. Many of the comments are general in nature and apply to the entire building.

- 1. Two of four fume hoods in the Chemistry labs 109 and 110 are not operating. The fumehoods that appear to be working have questionable air velocities at the sash opening. Both laboratories have a chemical smell that indicates the air is not being exhausted adequately. Open chemical containers are being stored in the inoperative fumehoods. Inoperative fumehoods may be giving a false sense of chemical fume protection.
- 2. The chemical stock area 114 is vented directly into Chemistry lab 110 via open partition at ceiling level. Chemical odor in lab 110 is very prominent. There is no fumehood in the chemical storage area for solvent and chemical dispensing. For ventilation the doors to all laboratories must remain open for air to flow into the corridors and eventually to the second floor return air louvers. There is no apparent exterior exhaust.
- 3. Solvent containers are being stored in several small unvented closets.
- 4. The building elevator does not have fire rated vestibules as require by code.
- 5. The risers height of all interior building stairs exceeds that allowed by current code. The open four story stair towers exceeds the two-story code limit. Stairs leading into basement requires an exiting gate directing egress to ground level exits. Code allows no storage under stairs.

cj

3945 Pirin Avenue, Sulle 300 San Diego, California 72103-3107

TOL: MIT 277-0159

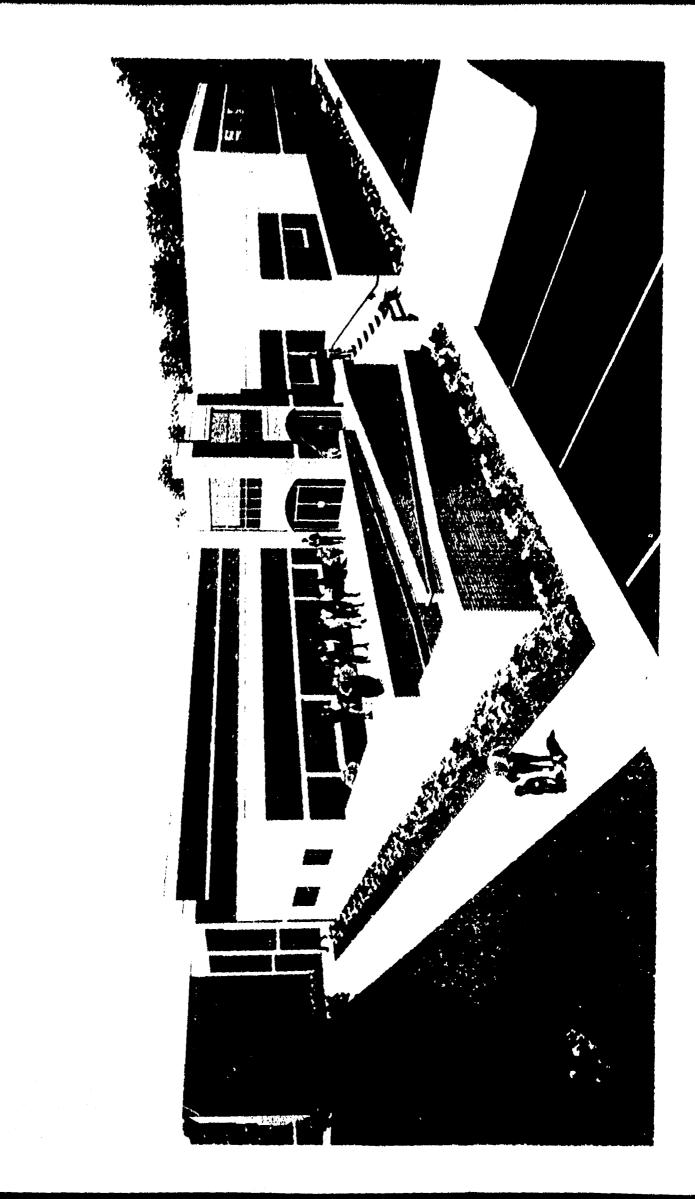
- 6. The autoclave in the glass wash area is not properly vented. Fire alarm is often actuated when autoclave is opened.
- 7. The structural ceilings and portions of walls in second floor spaces appear to be covered with an asbestos based acoustic material. The acoustic material is beginning to flake off above several doorways. It is recommended that this material be tested for asbestos, the flaking areas should be repaired and consideration be given to total removal.
- 8. Anatomy Laboratory 213, adjoining corridor and support laboratory spaces have a strong odor of formaldehyde (the EPA has determined that formaldehyde is a carcinogenic hazard). It is recommended that this condition be tested for allowable contamination levels and remedied immediately if necessary.
- 9. Greenhouse on third floor has no apparent ventilation and has no natural light. The heat generated by the required artificial light source makes the space uninhabitable due to the excessive heat generated. The space appears to be unusable as a functioning greenhouse.
- 10. Stockroom 215 has a very strong chemical odor. There is no direct ventilation of this space.
- 11. Most laboratories do not have master natural gas shut off valves.
- 12. Temperature control throughout the laboratories and classrooms is poor.

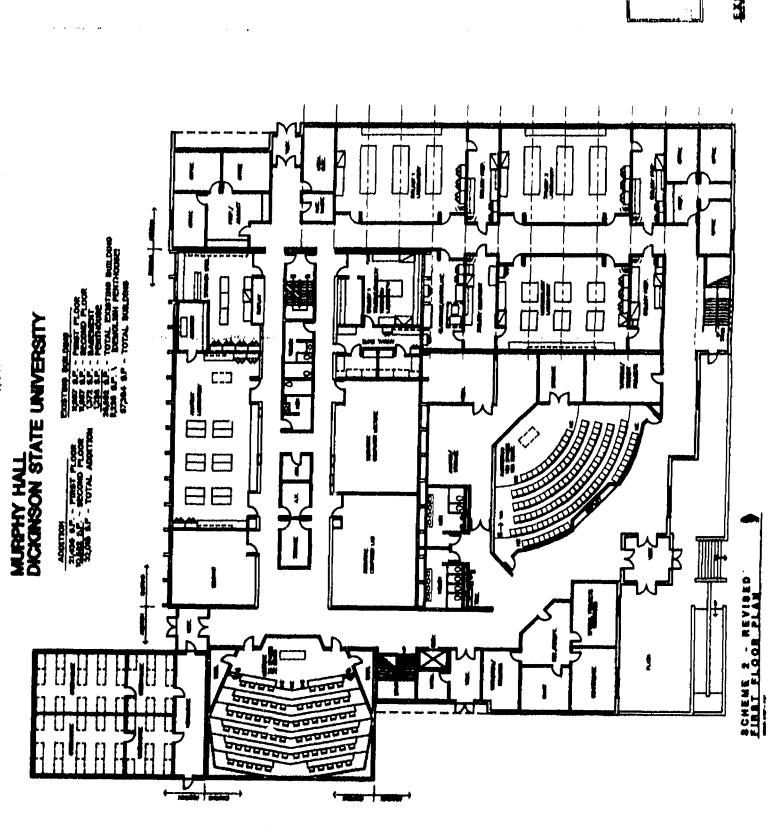
  Overheating of spaces is a reoccurring problem.
- 13. All return air from building spaces is drawn into the nearest corridor and circulated back into laboratories and classrooms via the return air ducts at the second floor. This condition not only compromises building air quality but also creates a potentially serious fire and smoke hazard to building occupants. If a fire occurs, all the smoke and heat will be drawn into the corridors. Current code requires that 100% of the air exhausted from laboratory spaces be ducted directly to the building exterior. All laboratory spaces must be maintained at a negative pressure relative to non-laboratory areas.
- 14. The waste drainpipes in many island sinks are no properly vented. This can cause traps to siphon allowing sewer and acid fumes to enter the laboratories.
- 15. Building plumbing fixtures do not meet ADA requirements.
- 16. Generally there is a distinct chemical odor throughout the building. This suggests that the quality of air in Murphy Hall may be a serious health hazard to students, faculty and visitors. It is recommend that the air quality be immediately tested for contamination.

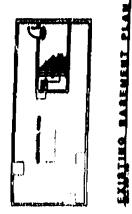
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# The Proposed S6.8 Million Murphy Hall Renovation and Addition Project Would:

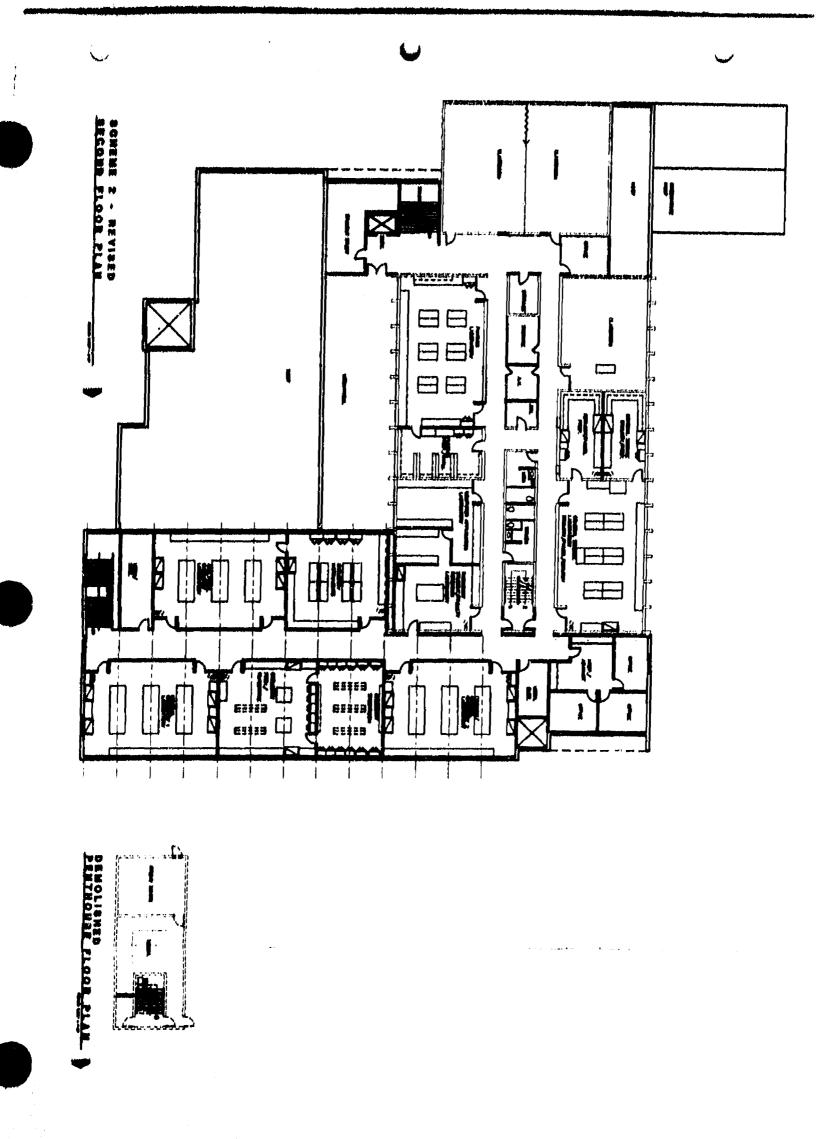
- Address the life, health, and safety concerns relating to the presence of asbestos
  within the facility, the inadequacy of HVAC systems and fume hoods to deal with the
  ventilation of toxic fumes, a fire alarm and supression system that needs upgrading to
  meet current codes, and infrastructure that does not lend itself to proper disposal of
  hazardous chemical waste.
- Improve upon the energy efficiency of the existing structure by replacing an extensive amount of glass windows and providing appropriate vestibules. The replacement of the HVAC systems is essential if this facility is to become more energy efficient and provide for a proper learning environment.
- Provide the infrastructure that will compliment the infusion of technology and research into the teaching/learning environment.
- Provide proper facilities that are designed to meet the institution's enrollment and program needs in accordance with established national standards.
- Provide for a facility that will enable the institution to effectively compete nationally in the delivery of quality educational programs within a safe and conducive learning environment as encouraged within the "Roundtable Report."

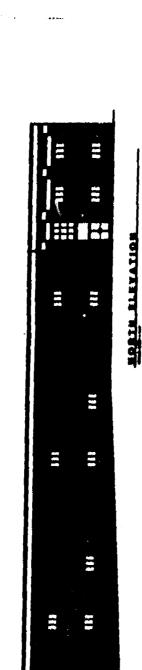




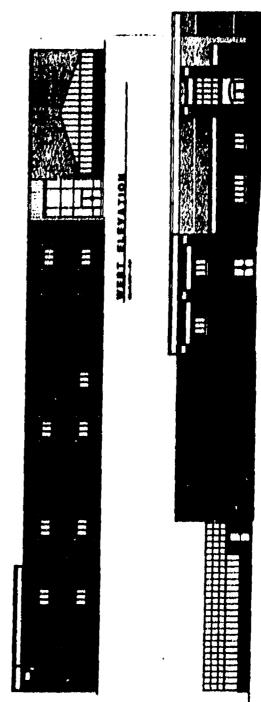


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EAST, FLEVATION



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SOUTH SLEVATION

# **BISMARCK STATE COLLEGE**Schafer Hall Renovation



Presented to
The 57th Legislative Assembly

Schafer Hall was constructed in 1961 as a multipurpose structure. It was the first building on campus. As originally designed, it was all-inclusive, housing the administrative offices, classrooms, laboratories, library, cafeteria, bookstore, theater, and shower facilities for physical education.

It was designed to serve a student population of 600. Built with the least expensive materials possible, Schafer Hall was less than adequate from the first day it opened. The facility has undergone dozens of stop-gap, piecemeal renovations. The old library has become computer labs and the information services area. The old kitchen has become admissions/registrar offices. Walls have been torn down and added. The single pane window walls have been replaced with new exterior walls to save energy. In 1991 an elevator was added to provide access for the handicapped. During the summer of 1994, an air conditioning system was installed in the building

The 1997 Legislature provided a \$965,000 appropriation for the first phase of Schafer Hall renovation. These funds enabled the college to convert old laboratories to usable classroom space and to remove central stairs which did not meet fire codes. The 1999 legislature provided funds for completion of the 2<sup>nd</sup> and 3<sup>rd</sup> floor hallways and a music center addition which was part of the Schafer Hall renovation master plan.

Since the college first began planning for a Science Center, it has been the intent that Schafer Hall would be renovated to become the college's liberal arts center. This aging structure can be renovated to contain adequate learning spaces for the study of humanities and social sciences.

The proposed design for the instructional area includes the use of portable walls and tiering to allow for dual use of classroom areas. The walls can be moved to accommodate larger class sizes or special guest lecturers. This is especially important as various disciplines with varying class sizes will be utilizing the classroom space. The design also includes faculty offices and student study areas.

The remaining renovation would include the west side of the 2<sup>nd</sup> and 3<sup>rd</sup> floors. Asbestos ceiling and floor materials are located in the non-renovated areas of the facility and must be removed.

Our original request for Schafer Hall renovation included the renovation of 1<sup>st</sup> floor to provide an improved administrative and student service area for students.

Included in our master plan has been the renovation of Werner Hall to an administrative support facility. Proceeding with this project is becoming more likely each biennium and we feel it's in the best interest of BSC and the State to delay 1<sup>st</sup> floor renovation of Schafer Hall until the likelihood of a Werner Hall renovation is better understood. In the event Werner Hall is converted to an administrative building, 1<sup>st</sup> floor of Schafer would be renovated to fit an instructional environment.

The executive recommendation deleted funding for the renovation of the west side of the 2<sup>nd</sup> and 3<sup>rd</sup> floors which consists of approximately 12,000 sq. ft. the requested budget amount was \$1,394,500. This project is ranked second on the Board of Higher Education priority list for capital projects. Parts of the Schafer Hall renovation master plan have been previously funded. Phase I included renovation of the science laboratory areas in Schafer Hall. Last session we received funding for the Leach Music Center addition and for the hallways on the 2<sup>nd</sup> and 3<sup>rd</sup> floors.

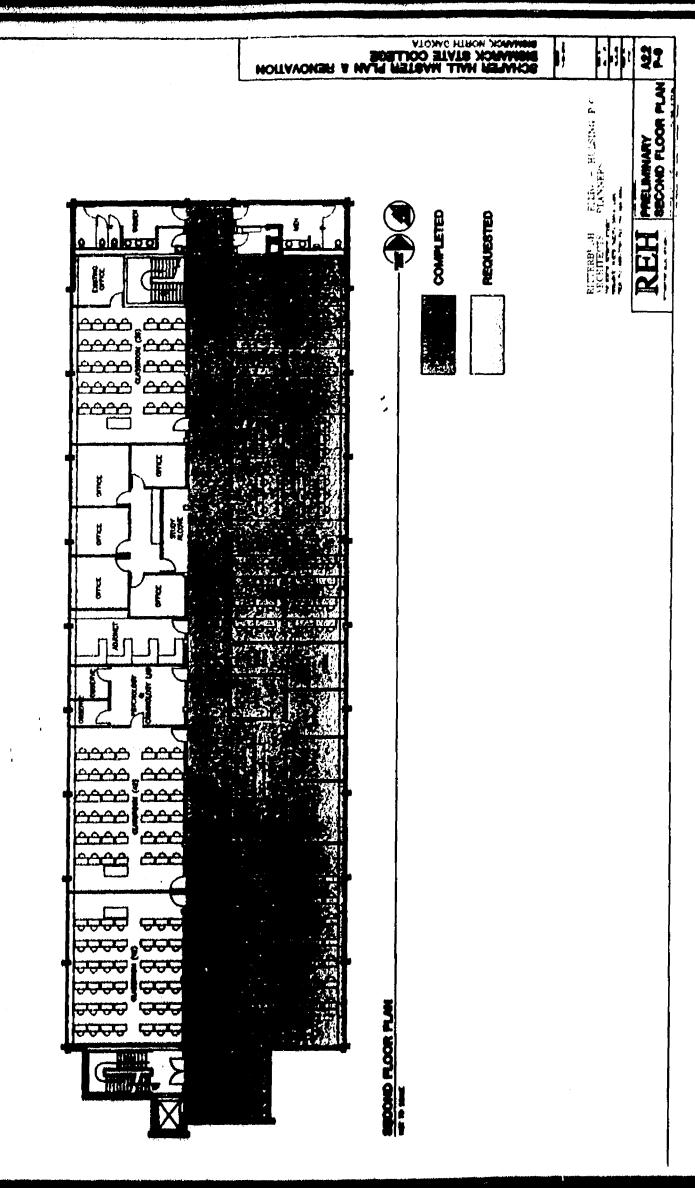
This funding would provide:

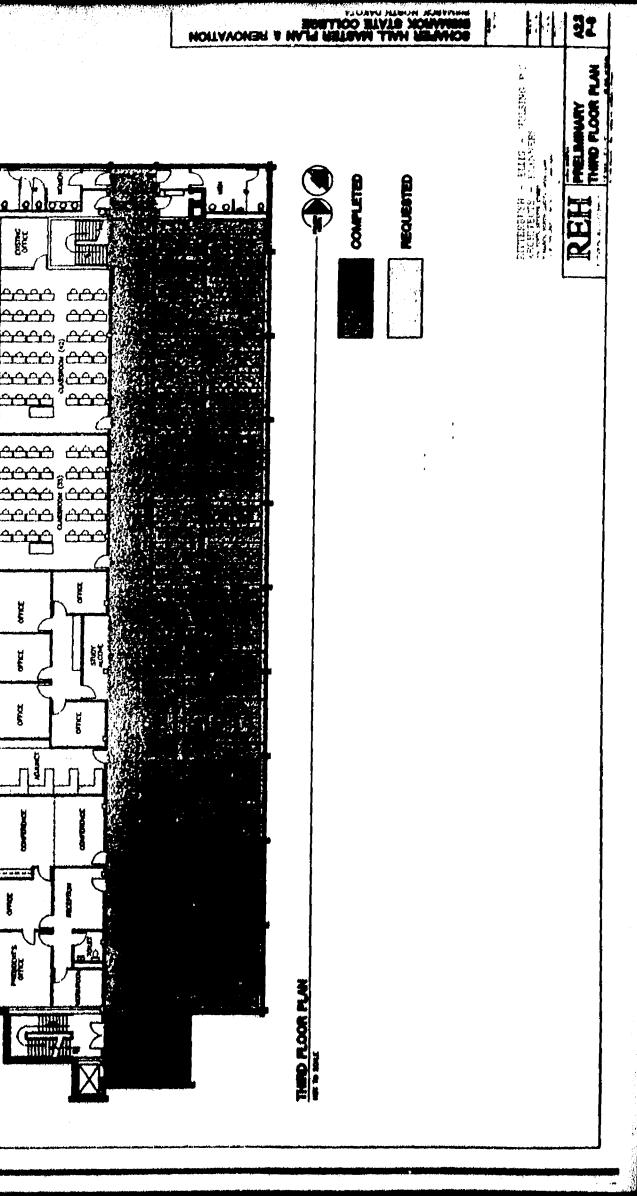
- 5 new classrooms
- 10 new faculty offices
- administrative office complex
- adjunct instructor offices
- asbestos abatement
- ADA compliance
- lab area

# The cost estimate is as follows:

Asbestos abatement	\$288,500
General construction	439,000
Mechanical construction	157,000
Electrical construction	183,000
Contingency	107,500
Equipment/Furnishings	131,000
AE Fees	88,500
	\$1,394,500

If funds are not available for both floors, the architect has indicated that the individual floor cost would be 50%.





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February 8, 2001

Hon. Dave Nething, State Senator Chairman, Appropriations Committee 600 E. Boulevard Bismarck, ND 58505-0360

Re: SUPPORT for BSC Schafer Hali

Dear Sen. Nething,

The Bismarck-Mandan Chamber of Commerce, which represents more than 1000 businesses, urges you to fund the proposed improvements for Schafer Hall at Bismarck State College.

The BSC Schafer Hail \$1.4 million improvement project will include the following:

- Asbestos abatement and ADA compliance.
- Construction of 5 new classrooms and 10 new faculty offices, 8 smaller offices for adjunct instructors, and a lab area for criminal justice and psychology-related classes.

The Chamber feels this project is needed and necessary for the following reasons:

- Schafer Hall is currently unfinished.
  - Improvements made as a result of your efforts in the 1997 Legislative Session improved the east side of the building. The west side of the building remains unfinished.
- The classrooms built will be better equipped to handle new technologies and today's teaching methods.
- The new classrooms, offices and lab will maintain the vitality and prolong the life of Schafer Hall.
- Schafer Hall is part of a growing campus. Enrollment has increased 23% in the past 5 years.
- With night and summer classes, BSC classrooms are heavily utilized. This is supported in the fact that the amount of square footage per-student at BSC is approximately half of the North Dakota University system campus average.
- The improvement project is ranked 2<sup>nd</sup> on the State Board of Higher Education priority list.

Sen. Nething, it is for these reasons that we STRONGLY SUPPORT funding for improvements to BSC SCHAFER HALL, and we respectfully ask you to do the same.

Sincerely.

Dave MacIver, President

cc: Senate Appropriations Committee

P.O. Box 1675 Blemarok, North Dakota 58502 Phone: (701) 223-5660 Fax: (701)255-6125 E-Mail Address: office@chmbr.org



# House Appropriations Committee Hearing

Engrossed SB 2023

North Dakota State College of Science March 19, 2001



# House Appropriations Committee Local Legislators

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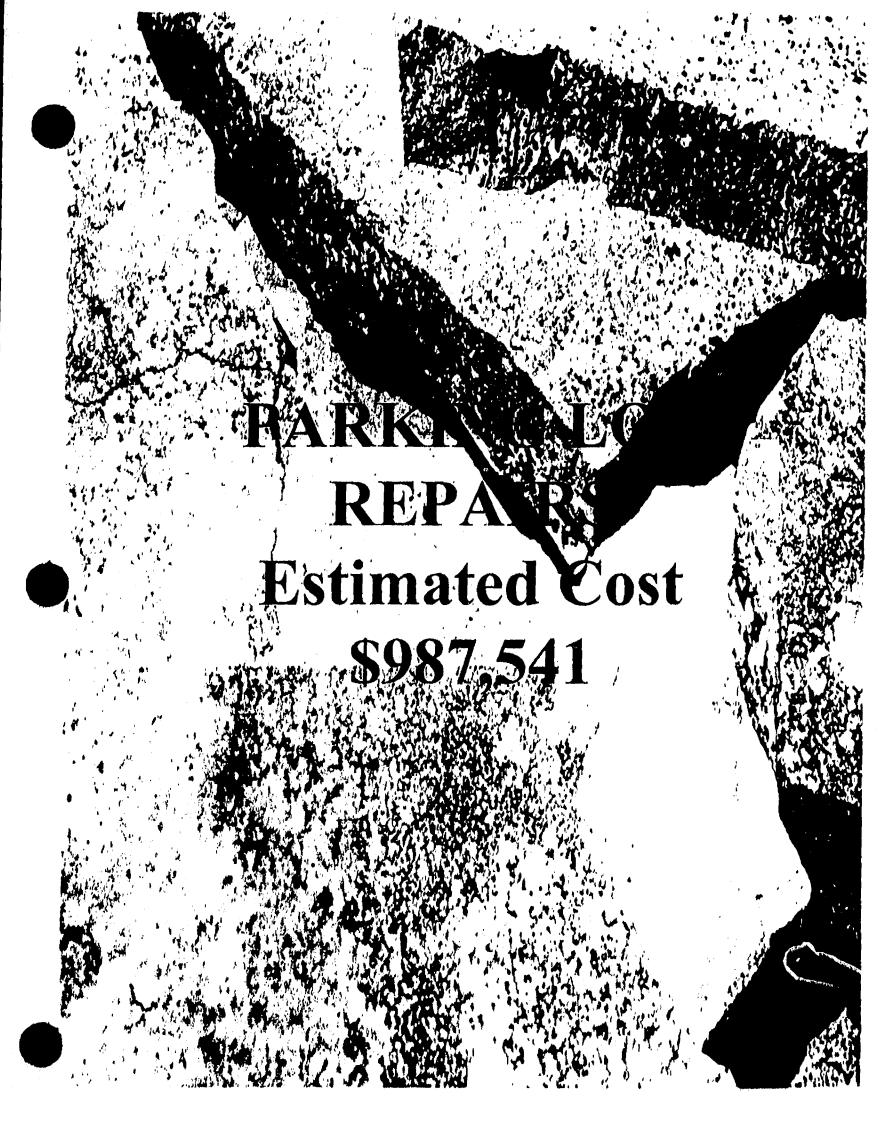
Sen. Joel Heitkamp, Hankinson

Rep. Howard Grumbo, Lidgerwood

Rep. Robert Huether, Lisbon

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Parking Lot #2 is NDSCS's main parking lot and is located in the center of the campus

Lot #2 is 40 years old the average life expectancy for asphalt paving is 20 years.

The funding of this project would be from a bond that would be funded with parking fees.

The following is a cost estimate of that project.

# **COST ESTIMATE**

# **Lightowler Johnson Associates**

Project:	Parking Lot Study	Data
1 10,001.	Turking Lot Olday	 Date:

12/5/00 **NDSCS** Wahpeton, ND Project Number: 00102

# **Preliminary Cost Estimate**

Item of Work	No. of Units	Unit Measure	Cost per unit	Tot	al Cost
Mobilization	1	LS	15,000.00	\$	15,000.00
Demolition of Existing Light Poles	1	LS	5,000.00	\$	5,000.00
Demo C&G	3600	LF	2.50	\$	9,000.00
Demo Sidewalk	5000	SF	1.50	\$	7,500.00
Common Excavation	5500	CY	3.50	\$	19,250.00
Asphalt Demo	28500	SY	4.50	\$	128,250.00
Soil Cement Removal	4900	CY	5.00	\$	24,500.00
New Sidewalk	5000	SF	4.00	\$	<b>20,000</b> .00
New C&G	3600	LF	15.00	\$	54,000.00
Pit Run	5000	CY	10.00	\$	50,000.00
Cl-13 Gravel (6")	9000	T	12.00	\$	108,000.00
Asphalt (4")	28500	SY	11.00	\$	313,500.00
Striping/Handicapped Signage	1	LS	3,000.00	\$	3,000.00
New Light Poles	6	EA	3,500.00	\$	21,000.00
Electrical Wiring	1000	LF 1	3.50	\$	3,500.00
New 30" Inlet	4	EA	1,000.00	\$	4,000.00
12" HDPE	560	LF	25.00	\$	14,000.00
24" HDPE	330	LF	45.00	\$	14,850.00
Landscaping	1	LS	1,800.00	\$	1,800.00
The state of the s		<u> Partine da Brando de Cario d</u>	SUB TOTAL	\$	<b>816,150</b> .00
			•	**	
Contingency 7.5%	<del></del>			\$	61,211.25
Engineering 10%	<del>144 ml (144 p. 146 p. 144 ml (144 p. 144 p. 144</del> 1	**************************************	<del>*************************************</del>	\$	81,615.00
Legal 1.5%		· · · · · · · · · · · · · · · · · · ·		\$	12,242.25
Financial Administration 2%		**************************************		\$	16,323.00
	i dinakatada is dina abbasi kada ali gipti a ng pipungangangangan mengangan mengangan berapa sa		TOTAL	\$	987,541.50





# ENGINEER'S REPORT AND FINDINGS OF NEED

# Nature & Scope

This project is for parking lot improvements for the North Dakota State College of Science in Wahpeton, ND. The improvements consist of demolishing and replacing the existing asphalt parking lot, lighting, and some sidewalk and curb & gutter between 4th and 7th Street.

# Purpose

The purpose of this project is to replace the parking lot that has been in place for 30 to 50 years. The existing asphalt has severe alligator cracking due in part to the elements of weather, poor surface drainage, and time. The new improvements will also consist of storm sewer to alleviate the parking lot ponding that ourrently occurs. Adequate drainage of the parking lot will mitigate the destructive action of freeze thaw that is occurring.

The improvements will also include the removal and replacement of parking lot lighting to address safety concerns that the campus may have.

# **Feasibility**

The estimated cost of the project will be as follows:

 Estimated Construction Cost:
 816,150.00

 Contingency (7.5%)
 61,211.25

 Engineering (10%)
 81,615.00

 Legal (1.5%)
 12,242.25

 Financial Administration (2%)
 16,323.00

Total Estimated Cost:

We believe this project to be cost effective.

\$ 987,541.50

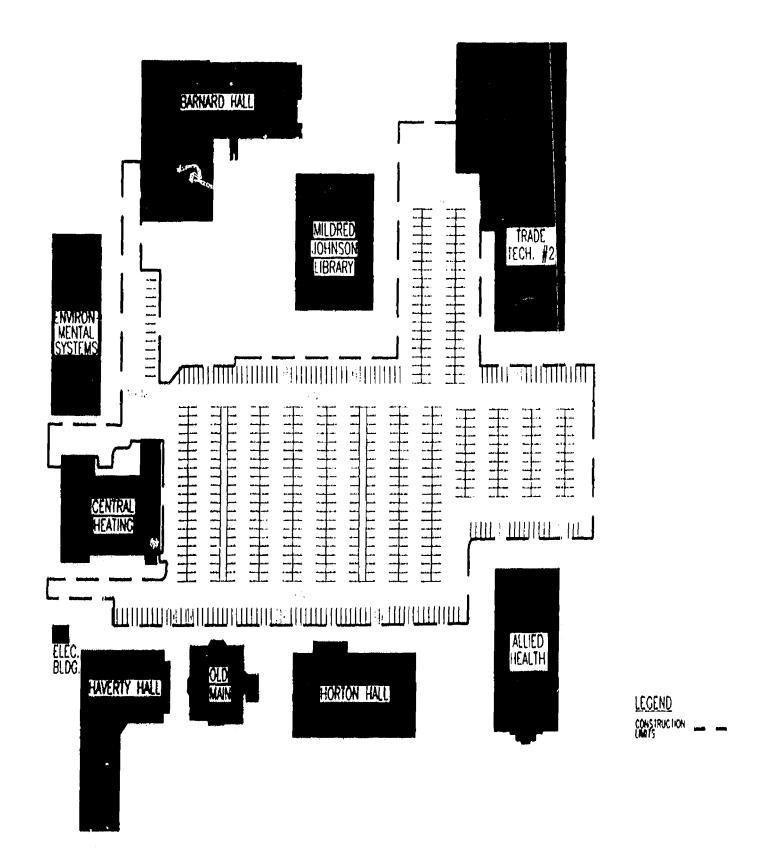
Stevan G. Dewald Project Engineer

Total Estimated Cost: \$987,541.50

Lightowing Johnson Assoc, BEST COPY AVAILABLE



# PROPOSED SITE



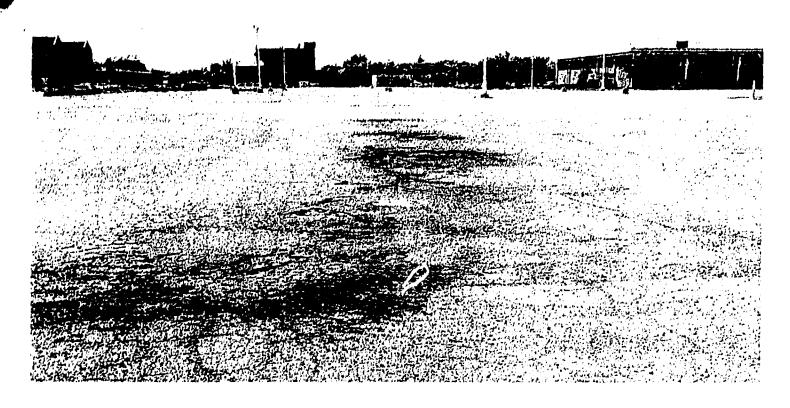


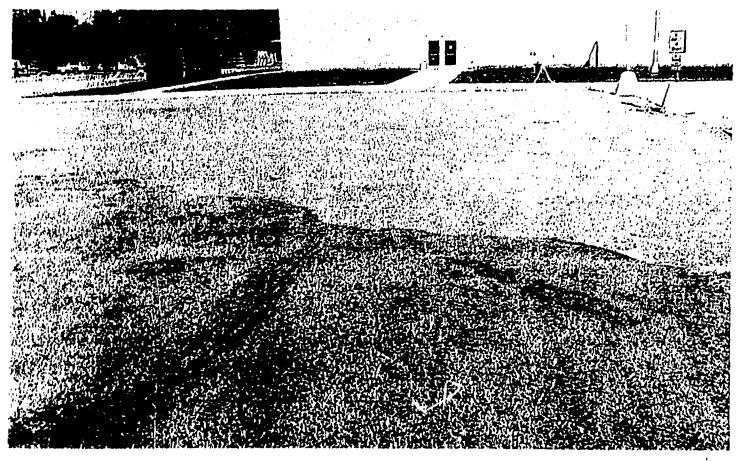
# Problem Areas Lot #2



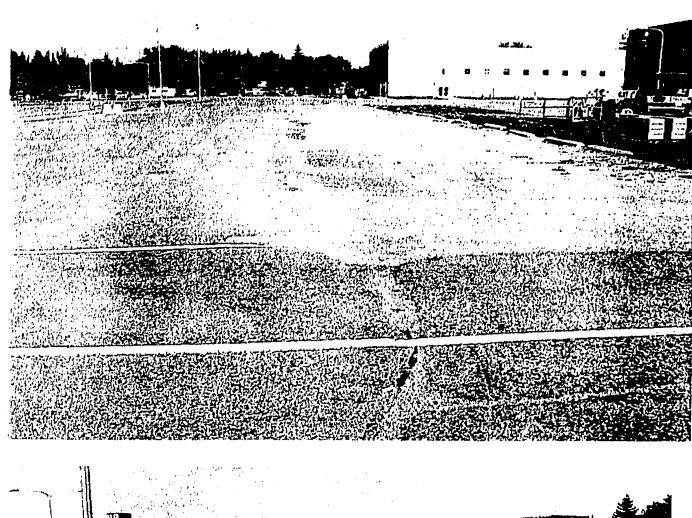


# Problem Areas Lot #2





# Problem Areas Lot #2





# NORTH DAKOTA STATE COLLEGE OF SCIENCE





SCOPE OF WORK REPORT

# STUDENT CENTER ADDITION AND REMODELING

December 21, 2000

The Student Center Addition and Remodeling Project at North Dakota State College of Science includes two phases.

Phase 1 will include comprehensive remodeling of the existing facility. The existing building was constructed in 1960 with the south portion being completed in 1967. The building has stayed in the same basic functional configuration since it was constructed. New functional requirements and student needs are driving the interior remodeling portion of the project.

- •New finishes throughout the building.
- •New functional requirements and program needs requiring reconfiguration.
- •Life Safety and ADA modifications.
- •Mechanical and electrical system upgrades.

Phase 2 will include multi-purpose / ballroom addition. Space is currently needed for student gatherings, dances, etc. The old Bute Gymnasium was used for this purpose until it was remodeled into the Mayme Green Allied Health Center in 1999. The new space will include the following:

- •Space for 1,000 (max) standing occupants.
- •Configured to allow banquet style seating for 300.
- •Flexible meeting space divisible into two large rooms.
- •Service corridor allows independent use.

## Phase 1

# Remodeled / Reconfigured Spaces

Game Room

Computer Lab

Study Lounge

**Bookstore Expansion / Remodeling** 

**Basement Remodeling** 

Life Safety Modifications

**ADA Modifications** 

**22,300 SF @ \$70.00 / SF** \$1,561,000

**Elevator** \$ 60,000

Mechanical / Electrical Upgrades \$ 350,000

**SUBTOTAL** \$1,971,000

A/E Fees (est.) \$ 135,000

**TOTAL PHASE 1** \$2,106,000

# Phase 2

Multi-Purpose / Ballroom Addition \$1,147,000

A/E Fees (est.) \$ 80,000

**TOTAL PHASE 2** \$1,226,000

**TOTAL EST. COST** \$3,332,000

Bonding - Student Fees	\$2,000,000
Foundation	\$1,000,000
Auxiliary Enterprises	\$300,000
Total	\$3,300,000

On May 4, 2000 the Student Senate took a vote to poll the students body on their feelings about raising the Student Activity Fee, The voter turn out was 258 students. 95% of the students (245) were in favor of the fee and 5% of the students (13) were opposed to an increase.

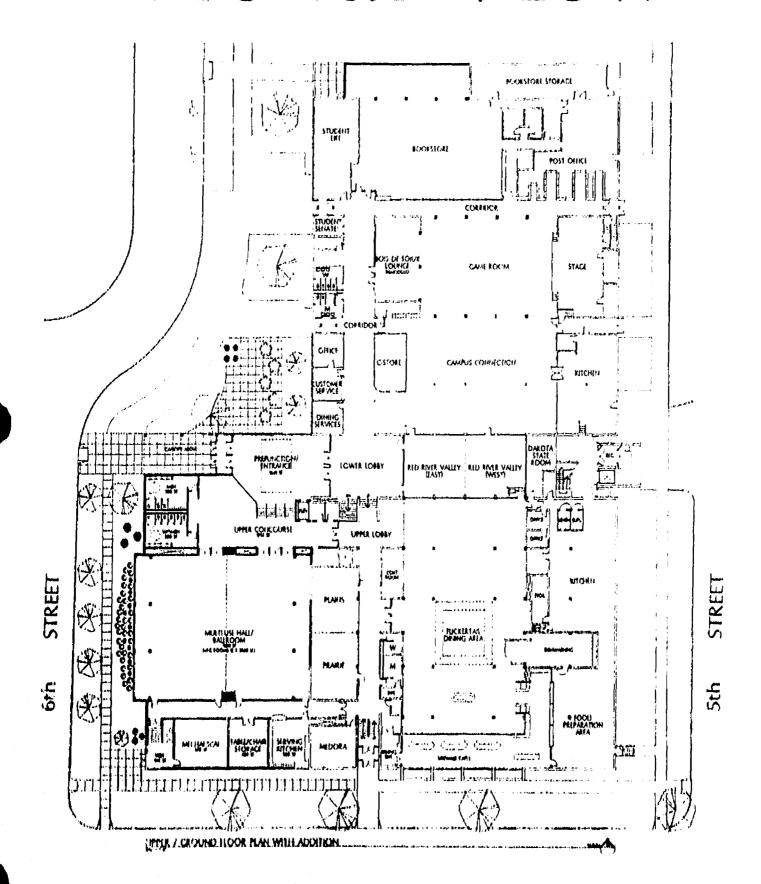
This project would not be started until the Foundation has raised the \$1,000,000

Student activity fees will not be increased for this project until the Foundation has met its goal.

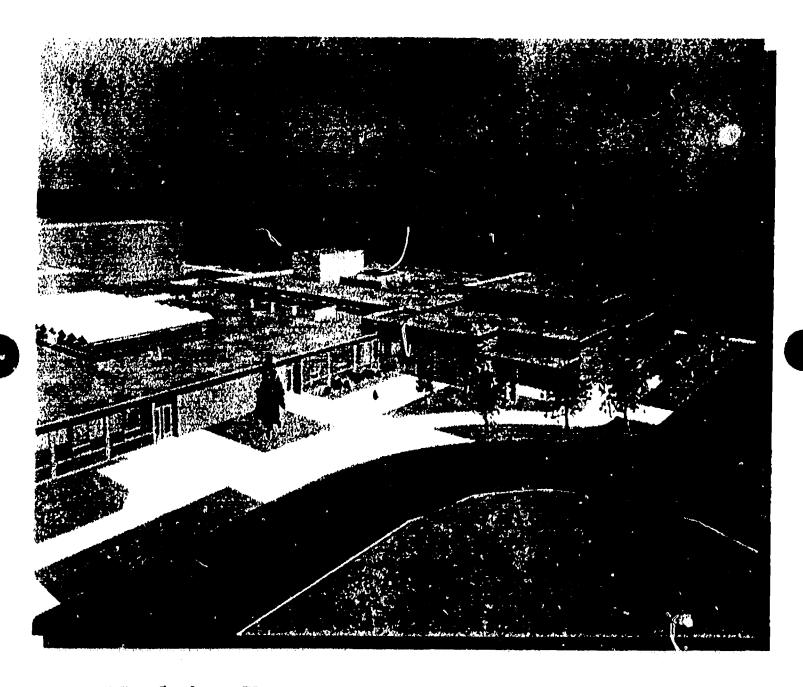
The Union is over thirty years old. The building has a traffic flow of over four thousand people daily.

It is simply worn out and needs new interior along with a new mechanical system.

# Aerial View

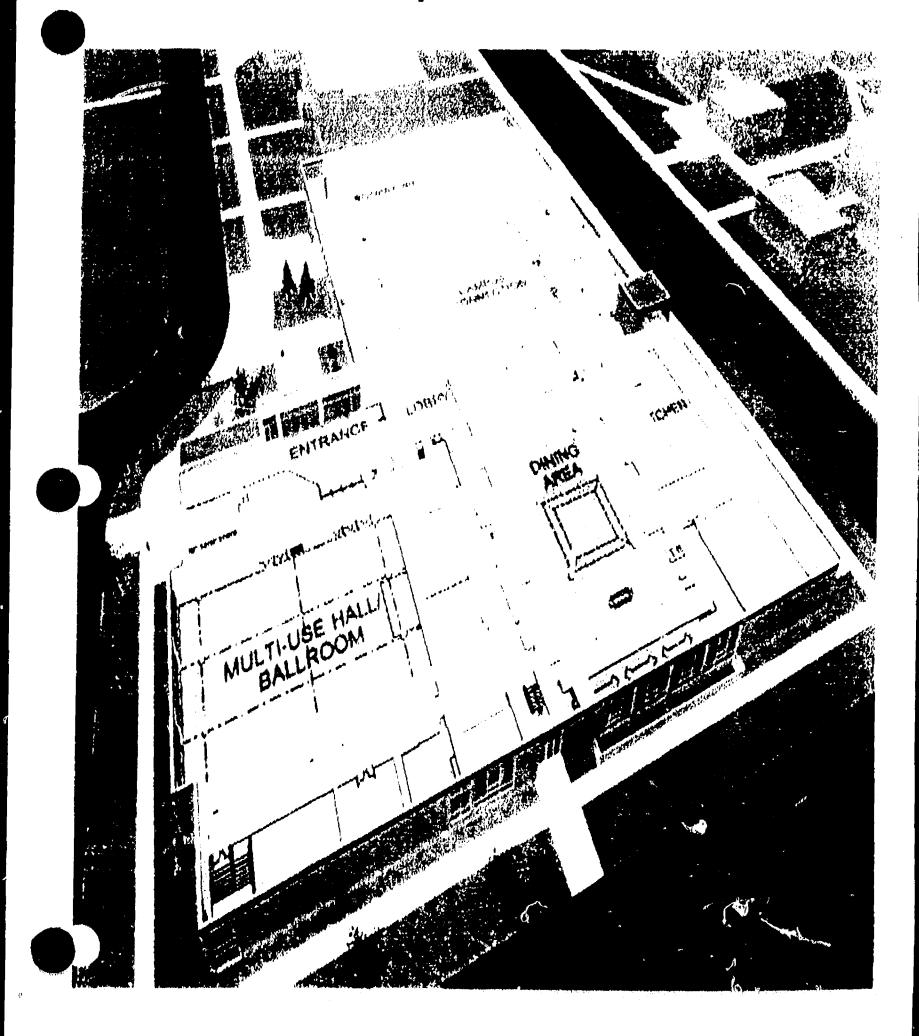


# Phase Two



Multi - Purpose Room Addition /
Northwest View

# Floor Plan / Southwest View



### DIESEL TECHNOLOGY ADDITION

\$524,616

The Williston State College Strategic Plan includes a goal of obtaining NATEF certification for the Diesel Technology Program. NATEF certification is a nationally recognized certification for auto and diesel technology education training programs. According to NATEF certification criteria, the lab space needs to provide at least 400 square feet per student for the environment to be safe and conducive for learning. These space requirements do not include classroom space.

Over the years, demand for training in the diesel technology area has grown. To meet the increased demand, a Diesel Technology Instructor was added to the program starting in the 97-98 academic year increasing the number of instructors to three. Student enrollment in this program was then increased to 48. Over the past 8 years, the Diesel Technology Program enrollment has been at the maximum number of students allowable per instructor.

Following NATEF certification requirements, the minimum lab space for the current 48 students should total 19,200 square feet. The current lab space of 9,600 square feet is well below the minimum standard. An additional 12,000 square feet is required for this program to meet NATEF certification for current enrollment levels. An additional 6,000 square feet for a total addition of 18,000 would allow for growth in the future - but most importantly - it would provide a safe environment for the students and faculty in this program.

The pieces of equipment and mock units used in this program require considerable space. A recent incident in this area has caused concern over the cramped environment. The 1999-01 budget includes funding for additional building rental (\$15,000) for this program. Options are being considered for a temporary solution with plans for a building addition to meet the campus's long-term goals.

The addition for the Diesel Technology Program is planned for the Crighton Building, which houses the current Diesel Program. Williston State College's Health and We') less Center Addition that is planned for construction in the 1999-01biennium includes space for the Nursing and Physical Therapy Assistant Programs that are currently housed in the Crighton Building as we'll. Regulocation of this space to the Diesel Program for lab space is not feasible. Lab space requires we'll height greater than the existing space where the Nursing and Physical Therapy Assistant Programs are located. The addition is planned for the east section of the Crighton Building where the wall height is appropriate for lab space.

### Funding considerations:

- \* Project to meet health and safety requirements.
- \* Addition to existing facilities.
- \* Reallocation of existing space is not an option.
- \* Project is consistent with the campus physical development as shown in the Master Plan.
- \* The additional space requirements have been and continue to be a part of our strategic planning process that is consistent with Williston State College's mission.
- \* The Master Plan was developed hand-in-hand with the strategic planning process and includes campus wide participation.
- \* Community input is sought through the Diesel Program's advisory board and additional lab space has been considered a top priority for this group.
- \* A quality diesel program is consistent with the mission of the college.
- \* Additional space will be used for academic purposes.
- \* Additional space will allow for safe use of the existing equipment and for expansion of equipment and technology requirements for the future.
- \* Additional costs for utilities and maintenance should be covered through reallocation of the \$15,000 currently in the budget for building rental.
- \* Custodial/maintenance salaries for additional space are not required. The cleaning of the lab space is part of the Diesel Technology Program where the students and instructional staff maintain the lab area. The physical plant staff as part of their regular duties will handle larger maintenance requirements. A new custodial position was added to the physical plant function in 2000-01 budget from reallocation.

■ Graduates ■ Enrolled <del>1</del>8 1999-00 38 WSC Enrollment by Program Diesel Technology 7 1998-99 47 Year 1997-98 1996-97 33 8 8 5 0 \$ atnebuts to redmink 8

000 22nd Street Yellow = proposed expansion /remodel Science Lecture Bowl and laboratories
Technical Training Facility
Front Entry and Welcome Center
Business Assistance Center and North Parking Lot Physical Mocation , Recreation and Athletis Highway 6. Defensive driving

# A. Projects Requiring Legislative Authority-Major Re-modeling/Additions and New Construction

### 2001-03 Biennium

Science Lecture Bowl and Laboratories: Science facilities at Lake Region State College have remained essentially the same since the college was constructed in 1966. Only minor upgrades of equipment have been made to support teaching strategies in the science classrooms/laboratories. Large lecture classes are held in the auditorium which is in heavy demand for other uses. From time to time the lecture scheduled in the auditorium must be re-located to the dining room, the only other space on campus which can accommodate these large classes. The dining room is a poor substitute for a classroom because of the noise, the lack of instructional support equipment, and the limitations on its availability due to the food service schedule. Lake Region State College has identified the need to develop a plan for the construction of a science lecture bowl and the renovation of the laboratory and classroom space for its science programs, including chemistry, biology, physics, and math. Square footage new = 5,100 and square footage re-modeled = 1,500.

	Source of	Funding
Budget	State	Non-State
Physical Facility	784,472	
Personnel	46,720	
Operating	6,222	



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven Governor Wayne Stenehjem Attorney General Roger Johnson
Commissioner of Agriculture

Testimony on Senate Bill No. 2023
by Karlene Fine
Executive Director & Secretary
Industrial Commission of North Dakota
January 18, 2001 - 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 also 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. I am appearing today to provide information on how the Building Authority works and on the statutory limitation for General Fund debt service expenditures.

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 lease revenue bonds payable from biennial appropriations).
- (2) The Building Authority, working with the appropriate agencies, issues its bonds to acquire funds for the authorized projects. The agencies convey title to the facilities to the Building Authority and the Authority in turn leases the facilities back to the agencies.
- (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 blennium.

Karlene K. Fine, Executive Director and Secretary
State Capitol, 10th Floor - 600 E Boulevard Ave Dept 405 - Bismarck, ND 58505-0840
E-Mail: kfine@state.nd.us
Phone: (701) 328-3722 FAX: 1701) 328-2820

"Your Gateway to North Dakota": <u>discovernd.com</u>



(4) As part of the transaction and to provide additional security to the bond purchasers that the state will repay the debt, the Building Authority has generally in the past taken title to the authorized projects. The titles for those particular projects are then held as security for the bondholders. 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. (The Senate just recently passed Senate Bill 2165 that will allow the Authority to eliminate the necessity of taking title on the property. Because of the acceptance by the rating agencies of "appropriation debt," we no longer need to provide the additional security of a title on a property.)

The Legislature has established a "ceiling" of General Fund dollars the State can expend for Building Authority debt service. That "ceiling" is currently 10% of \$.01 of the sales use and motor vehicle taxes. 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 the Williston State College project scheduled to be sold this Spring and those projects proposed in Senate Bill 2023.

The "ceiling" is shown on the debt service chart in the next to last column. I have used the most recent forecast for sales use and motor vehicle taxes income that is in Governor Hoeven's budget. The third to last column is the proposed General Fund needs for future biennia. You can see that the General Fund debt service dollars needed for the projects in SB 2023 are under the "ceiling". The last column shows the difference between the estimated General Fund debt service and the forecasted General Fund debt service limitation.

Please note that under the column headed 2001B, lease (bond) payments do not begin until the 2003-2005 biennium. For the purpose of this chart I have estimated the interest rate on the bonds sold under column 2001B at a rate of 5.1%. If this bill is passed, and signed into law, the Authority would issue its bonds within the next 6 to 9 months, if we can obtain a favorable rate and depending on when the funds are needed for construction.

I do want to clarify that the State Facility Energy Improvement Projects are, by law, not included under the "ceiling" since those debt service expenditures will be coming from energy savings. Thank you for the opportunity to present testimony on Senate Bill 2023.



# North Dakota Building Authority Debt Service By Bond Issue

17968-1971

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Diennium	1986	19981-1992 1993-1990	1993-1990	19938	1995A	1998 A	1998C	2000A	**A1005	3001A** 20018***	Totals		]	į	
1999-2001	1,881,171	589,427	8,010,006	2,507,288	2,740,428	1.287,154	775 604	c	٥		45 POS 450				
2004-2002	2 4E3 EE0					•		•	•	•	901 1897	180 BCK	13,952,880	16,007,004	2004,785
2003-1207	7,453,350	311,104	5,578,468	2,506,773	3,045,255	1200.644	776,704	714,907	568,993	٥	17,956,059	2,146,606	15,809,453	36 723 920	222
2003-2005	2,294,313	585,239	6,025,459	2,486,468	3,046,735	1,286,354	776,656	708,539	567,583	1,962,374	19,749,750	2.508.871	17 240 878	17.404 507	
2005-2007	2,154,851	587,539	6,017,560	2,468,658	3,045,626	1,300,220	775.267	715716	16.5	2 302 646					
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<sup>&</sup>quot;Revised January 01 forecast used for 01-03 biennium with a 4% increase each subsequent biennia.

10/11/101

Minot State University total project \$7,850,000; \$175,000 from General Fund, MSU to provide \$2,589,000 in ten equal annual payments. "Pending: sale of \$3,000,000 for Williston State College (WSC) project. Total project size is \$4,500,000.

WSC to provide a cash contribution of \$1,500,000 for construction.

WSC to provide a total of \$1,500,000 in ten equal annual permants for the retirement of proposec bonds.

"Proposed 2001 Projects: Department of Health project \$2,700,000, 65 % of DOH Debt Service to be paid from other funds.

Job Service project \$2,302,000; all Debt Service to be paid by other funds.



### **INDUSTRIAL COMMISSION OF NORTH DAKOTA**

John Hoeven Governor Wayne Stenehjem Attorney General Roger Johnson
Commissioner of Agriculture

Testimony on Engrossed Senate Bill No. 2023
by Karlene Fine
Executive Director & Secretary
Industrial Commission of North Dakota
March 19, 2001 - 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 also 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. I am appearing today to provide information on how the Building Authority works and on the statutory limitation for General Fund debt service expenditures.

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 lease revenue bonds payable from biennial appropriations).
- (2) The Building Authority, working with the appropriate agencies, issues its bonds to acquire funds for the authorized projects. In the past the agencies conveyed a title to the facilities to the Building Authority and the Authority in turn leases the facilities back to the agencies. (On the future that process may be slightly changed with the passage of Senate Bill 2165.)
- (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.

Testimony on Engrossed Senate Bill 2023 Page 2 March 19, 2001

The Legislature has established a "ceiling" of General Fund dollars the State can expend for Building Authority debt service. That "ceiling" is currently 10% of \$.01 of the sales use and motor vehicle taxes. 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 the Williston State College project scheduled to be sold this Spring and those projects proposed in Section 1 of Engrossed Senate Bill 2023.

The "ceiling" is shown on the debt service chart in the next to last column. I have used the most recent forecast (March 7) for sales use and motor vehicle taxes income. The third to last column is the proposed General Fund needs for future biennia. The last column shows the difference between the estimated General Fund debt service and the forecasted General Fund debt service limitation. You can see that with the revised forecast (which lowered the sales tax revenue) the General Fund debt service dollars needed for the projects in SB 2023 are over the "ceiling" by an amount of \$102,619.

Please note that under the column headed 2001B, lease (bond) payments do not begin until the 2003-2005 biennium. For the purpose of this chart I have estimated the interest rate on the bonds sold under column 2001B at a rate of 5.14%. If this bill is passed with the emergency clause, and signed into law, the Authority would issue its bonds within the next 3 to 6 months, if we can obtain a favorable rate and depending on when the funds are needed for construction.

I do want to clarify that the State Facility Energy Improvement Projects are, by law, not included under the "ceiling" since those debt service expenditures will be coming from energy savings dollars.

Since this bill was proposed the Authority's bond counsel has looked at the language and has suggested that we include some additional language to make the intent of the Legislature clearer. I've attached the proposed amendments to my testimony. The first amendment clarifies that the bond issue will actually be larger than the construction costs of the projects—the Authority will be bonding for capitalized interest, costs of issuance and the required reserve funds. The second amendment clarifies that the contributions to be made by the Department of Health and Job Service is for the principal amount of the bonds <u>plus interest</u>.

Thank you for the opportunity to present testimony on Engrossed Senate Bill 2023.

# North Dakota Building Authority Debt Service

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									1	105,505,201	123,004,/35	16.345,173	106,719,562	221,778,734	115,050,172

<sup>&</sup>quot;Revised March 01 forecast used for 01-03 biennium with a 4% increase each subsequent biennia.

4/4/01 Estimated Interest Rate of 5.14%

5B2023 45-01

<sup>&</sup>quot;Pending: sale of \$3,000,000 for Williston State College (WSC) project. Total project size is \$4,500,000. (Estimated Intercat Rate of 5.24%) WSC to provide a ceeh contribution of \$1,500,000 for construction.

WSC to provide a total of \$1,500,000 in hen equal annual payments for the retirement of proposed bonds.

Minot State University total project \$7,850,000; MSU to provide \$2,289,000 with each of the first two equal annual payments being \$315,000 \*\*\*Proposed 2001 Project Department of Health project \$2,700,000; 65 % of DOH Debt Service to be paid from other funds. and the remaining amount of \$1,669,000 being peid in eight equal arraual payments.

Job Service project \$2,302,500; all Debt Service to be paid by other funds.

### PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2023

- Page 1, line 17, after "indebtedness" insert "in the principal amount of \$12,852,000 plus costs of issuance, capitalized interest, and any reasonable required reserves"
- Page 2, line 1, replace "\$6,656,000" with "\$4,057,000" and insert immediately thereafter "in principal amount plus interest", after "be" insert "made", after "available" insert "by job service North Dakota and state department of health and \$2,599,000 by Minot state university", and after "to" insert "be appropriated to the industrial commission to"

Renumber accordingly

If the proposed amendment is adopted for Section 2, it would read as follows:

SECTION 2. BOND ISSUANCE REPAYMENT RESPONSIBILITY. Of the total amount of evidences of indebtedness issued under the provisions of Section 1 of this Act, a total of \$4,057,000 in principal amount plus interest must be made available by job service North Dakota and state department of health and \$2,599,000 by Minot state university from nongeneral fund sources to be appropriated to the industrial commission to assist in the retirement of the evidences of indebtedness issued for the project costs associated with the construction of the projects authorized by this Act:

State department of health	\$1,755,000
Job service North Dakota	\$2,302,000
Minot state university	\$2,599,000

# Testimony before the Senate Appropriations Committee January 18, 2001

# - Pertaining to SENATE BILL 2023 and THE HEALTH DEPARTMENT'S FACILITIES MASTER PLAN

### Robert Barnett, Interim State Health Officer

Good morning Chairman Nething and members of the Committee. Our testimony today pertains to a provision in Section 1 of Senate Bill 2023 that authorizes \$2,700,000 indebtedness for construction of an addition to the department's east laboratory building and to a provision in Section 2 that pertains to payout of bond indebtedness.

During the last session of the state's legislature, several issues were discussed. Those issues were:

- A new location for the morgue.
- The condition of mechanical systems for the two buildings housing the department's microbiology, chemistry and crime laboratories.
- A life safety review of the buildings housing the department's Environmental Health Section and its laboratory divisions.
- The cross town separation of the department's staff; for example, the staff are housed in six buildings on three campuses in Bismarck.

### Purpose for this testimony

This testimony serves as a report about the department's activities and findings regarding:

The department's Facilities Master Plan. Section 8 of the department's 1999-01 appropriation bill (HB 1004) required the department to develop a definitive plan and



firm così estimates for upgrading the department's laboratories, for providing a state morgue and for bringing the department's facilities into compliance with applicable code requirements.

Southwest Key, Mandan. The site and buildings on the campus of Southwest Key were evaluated as a potential option for housing administrative offices of the department and location of two laboratories.

Our testimony provides information that we hope will assist this committee in making an informed decision about facilities needed by the department.

### Actions during the interim

Since the 1999 legislative session, the department awarded a contract to Triebwasser, Helenske & Associates, Fargo, and Earl Walls Associates, San Diego, California.

In conjunction with the department, the architects evaluated existing facility occupancies, space functions and space deficiencies for:

- The department's sections located in the Judicial Wing and the department's Environmental Health Section occupying two buildings located at a west campus in Bismarck.
- The state forensic examiner, his staff and the morgue located at the east campus. The forensic examiner and his staff occupy temporary space within the East Laboratories building, and the morgue occupies temporary space within the Training Center.
- The microbiology laboratory occupying one building located at the west campus; and the chemistry laboratory and crime laboratory also occupying one building located on the east campus.

All occupied buildings on the west campus—located at 1200 Missouri Avenue—are leased.

### Summary of facility needs

The department's Facilities Master Plan presumes that forensic examiner services provided through operation of a morgue will remain here in Bismarck and organizationally affiliated with the department.

The plan presumes that the crime-toxicology laboratory remains affiliated with the department rather than re-aligned with the Office of the Attorney General, although the primary customers of this laboratory are law enforcement officials. The plan accommodates such change, if implemented in the future.

The plan proposes that the functions of the department's Division of Vital Records remain located in its present occupied space in the judicial wing in the event other departmental offices in the judicial wing are co-located on a common campus. Given our experience, we believe the public enters the capitol facility expecting these functions to be located there.

The plan presumes that the staffing of the department will not grow during the next ten years by more than eleven full-time equivalent positions.

The Facilities Master Plan makes use of the existing East Laboratories site, the East Laboratories building and the existing Training Center.

The State Water Commission occupies about 700 gross square feet in the southwest corner of the East Laboratories building where two of its staff conduct limited analysis of water samples. We will accommodate their needs at that scale of space until such time that other arrangements are implemented.

In conjunction with the department, the architects painstakingly reassessed needed space for laboratories and the morgue and then trimmed back needed space from 84,906 gross square feet to 62,411 gross square feet and added 3,000 gross square feet for unheated storage. The architects' projected space needed by the administrative units in the Judicial Wing and the Environmental Health Section were not reassessed; the total space is 80,153 gross square feet.

The plan phases construction and renovation over three biennia. The phased strategy places a priority on dealing with life safety and space is uses of the microbiology (public health) and chemistry laboratories and on removing our obligations in leasing the existing building housing our microbiology laboratory.

- The first phase of the plan, the initial biennium, initiates construction of a building to house the microbiology and chemistry laboratories.
- The second phase, the following biennium, initiates renovation of the existing East Laboratories building for the crime-toxicology laboratory and construction of an adjoining building to house the state forensic examiner and the morgue.
- The plan delays construction of co-located space for the Environmental Health Section—which is now scattered in three buildings—and the Judicial Wing to a third biennium.

  This strategy retains the flexibility for two biennia to locate the department's non-laboratory organizational units on the capitol campus pending outcomes of capitol campus planning.

Table 1 summarizes the department's Facilities Master Plan, as presented to the Interim Budget Committee on Government Services. Additional cost data are included as presented by the architects to the department in a supplemental report that also contains detailed space data.

Table 1. Data from the Department of Health's Facilities Master Plan.

Marie Control of the	Net Space	Gross Space			
	(square feet)	(2) (square feet)	Construction Cost	Total Cost (3)	Bien. Phase
Microbiology L. Division	7,372	12,710	\$245 / g.s.f.	\$ 3,113,950	1
Chemistry L. Division	12,035	20,750	\$245 / g.s.f.	\$ 5,083,750	ı
Field Technician Support Labs.	2,370	3,081	\$245 / g.s.f.	\$ 754,845	1
Unheated storage		3,000	\$55 / g.s.f.	\$ 165,000	1
Subtotal				\$ 9,117,545	1
Crime L. Division	(1)	18,850	\$150 / g.s.f.	\$ 2,827,500	2
Morgue East Lab. New addition	(1)	2,001 5,019	\$150 / g.s.f. \$235 / g.s.f.	\$ 300,150 \$ 1,179,465	2 2
Subtotal				\$ 4,307,115	2
Environmental Health Section	25,338	32,939	\$105 / g.s.f.	\$ 3,458,595	3
Judicial Wing	32,666	42,466	\$105 / g.s.f.	\$ 4,458,930	3
Subtotal				\$ 7,917,525	3
Totals		140,776 (2)	· · · · · · · · · · · · · · · · · · ·	\$ 21,342,185 (3)	1,2&3

<sup>(1)</sup> Gross square footage of existing East Laboratory building shared between the Crime Division and the Morgue.

Finally, the department's proposed budget for the 2001-2003 biennium includes \$965,000 for occupancy payments. Approximately 33% of that amount is state funded with general funds. The amount of \$965,000 is about one-half of the annual debt service on repayment of the bonds

<sup>(2)</sup> Data do not include the existing Training Center, which has 5,944 g.s.f.

<sup>(3)</sup> Architects' additional costs over the three bienniums: design and construction management - \$2,943,000; construction contingency - \$1,067,000; occupancy (equipment, furniture, telecommunications, etc.) - \$2,627,000; and inflation - \$4,507,000.

for construction of phase 1 of the Facilities Master Plan—but that entire amount would not be accessible due to the costs for occupancy of leased buildings that continues through phase 3; these costs are expected to total about \$779,000 per biennium under current lease arrangements. The only existing lease we would terminate prior to completion of phase 3 of the Facilities Master Plan is the current lease on the microbiology laboratory building; and the date for such termination would be about January 2004.

### Findings of the Southwest Key campus assessment

In mid-September 2000, the department extended the scope of work with the architects to include appraisal of the Southwest Key facility campus. Their findings, in summary, are:

- 1. The Southwest Key facility campus consists of about \$2,500 gross square feet of finished space, exclusive of the existing guest house or the existing shop building. Building layout and egress configuration provides about 53,375 net square feet for use by the specific administrative functions of the department, exclusive of laboratories. The department's Facilities Master Plan includes 58,002 net square feet for administrative functions, exclusive of laboratories and the Vital Records Division. It appears the Southwest Key facility could accommodate these functions, but with some adjustments to the identified and needed space. However, parking would have to be expanded into available space on the campus and adjacent streets.
- 2. Although the campus site has capacity for additional structures to accommodate the microbiology and chemistry laboratory needs of the department, the required multi-level laboratory configuration would not respond efficiently to the needs of the laboratories or the added parking required. Thus, consolidation of a microbiology and chemistry laboratory facility to the campus would require acquisition of adjacent properties along 2<sup>nd</sup> Street NW and the vacation of 2<sup>nd</sup> Street NW.

- 3. Southwest Key has two tenants: Housing, Industry and Training, Inc., leases the southeast wing, which is about 11,960 gross square feet, and the Dakota Boy's Ranch leases the southwest wing, which is about 11,995 gross square feet, for adolescent treatment.
- 4. Costs associated with the acquisition and remodeling of the Southwest Key facility are projected at \$5,750,835 or about \$69 per square foot of gross building area. This projected cost is about 65 percent of the cost of new construction identified in the department's Facilities Master Plan.

Table 2. Southwest Key Data

Existing buildings, exclusive of shop & guest house	82,529 gross square fect
Sale price; includes site (\$1.75M), sales fees, etc.	\$ 2,000,000
Site development costs; e.g., parking & ADA upgrade	\$ 515,000
Facility repair and upgrade	\$ 2,292,750
Occupancy allowance; e.g., equipment & telecommunications	\$ 500,000
Design fees	\$ 310,775
Inflation cost	\$ 132,310
Subtotal cost	\$ 5,750,835
Adjacent land acquisition & improvements for laboratories	\$ 875,000 (1)
Total cost	\$ 6,625,835 (1)

<sup>(1)</sup> Allows placing the microbiology and chemistry laboratories across the street from the current Southwest Key campus, but does not include costs related to construction of a building to house the two laboratories.

If SB 2023 is pessed as currently written, we would build about 11,000 gross square feet on the east campus. Subsequently, we would expand the department's Environmental Health Section into the nearby, leased (and remodeled) building now used for the microbiology laboratory functions when the microbiology division is relocated into an updated building. (Costs for leases on the two remodeled buildings would likely increase as owners would expect to recover remodeling costs.) The options do not include participation in the Capitol Master Plan, as the status of that plan is unknown.

## Testimony before the House Appropriations Committee March 19, 2001

### - Pertaining to -SENATE BILL 2023

### Francis Schwindt, Chief - Environmental Health Section North Dakota Department of Health

Our testimony today pertains to the \$2,700,000 authorization to construct an addition to the department's east laboratory building that is included in Section 1 of this bill. This would allow the Department to address some of the most critical health and safety deficiencies of our microbiology and chemistry laboratories.

There are a number of health and safety code problems in our facilities that have been identified through our Master Facility Planning Project. The planning effort was required in this biennium's funding for the Department and the detailed reports have been submitted to the interim Budget Committee on Government Services. The worst problems are the condition and inadequate space in the two buildings housing our microbiology and chemistry laboratories. The microbiology building is leased and the chemistry building is state owned. They are both about 25 to 30 years old.

The most serious health and safety problems are:

- 1. Inadequate ventilation systems
- 2. Inadequate chemical and microbiological fume hood exhaust
- 3. Inadequate space for isolation of highly contagious organisms
- 4. Exposure to toxic chemicals
- 5. Overcrowded working conditions
- 6. Inadequate fire code construction, alarms and escape routes
- 7. We have had employees treated for chemical exposures

In both our chemistry and microbiology labs, the air handling systems cannot meet the needs of our current operations. In microbiology, a separate, filtered, single pass air handling system is needed for the highly contagious analytical areas where tuberculosis, HIV(AIDS), virology, reference bacteriology and molecular biology work is done. These areas must be isolated from the remaining work areas in a level 3 containment system so contamination of employees and other work areas does not occur. In chemistry, the ventilation system cannot evacuate chemical fumes from the analytical work stations nor provide sufficient fresh air to balance the exhaust air. The fume hoods and blowers are corroded from chemical use and their exhaust is drawn back into the building under certain weather conditions.

Neither building has a fire suppression system and emergency exit times are inadequate because of the buildings' layouts. Both laboratories are severely overcrowded as new analytical equipment has been added in response to the demand for new and additional chemical and microbiological analyses. We now analyze for many organic chemicals, including pesticides, in drinking water and hazardous waste that were not done ten years ago. Microbiology analyzes viruses and strains of bacteria unheard of even in the recent past. These have been accomplished through improved technology and staff specialization but it also requires work space.

In chemistry, employee emergency showers are located in hallways without a floor drain so contamination of the laboratory would occur if the showers were used to remove a chemical exposure. If a release occurred in microbiology, some employees would be exposed as they tried to exit the building as traffic areas go right through some analytical areas.

This bill would allow us to build an addition of about 10,800 square feet of laboratory space to our chemistry and crime laboratory building in east Bismarck. We propose to move portions of the microbiology and chemistry laboratories needing the best ventilation capabilities into this addition. This would include the organic chemistry analysis, a portion of the petroleum analysis and the level 3 containment systems for the highly contagious viruses and bacteria. We may not be able to move all remaining portions of the microbiology laboratory into the space that is vacated in the chemistry lab. That will require further evaluation.

Other issues that require further evaluation are the needs for the state forensic examiner and morgue. Currently, the morgue is housed in a converted shop room of our water and wastewater operator training facility. That presents difficult operations for both the training programs and forensic examiner. We also need to update and upgrade the existing chemistry and crime laboratory portions of the building including the heating, ventilating and air conditioning, (HVAC) system.

The Department's budget for the 2001-2003 blennium is approximately two thirds federal funds. We anticipate continued federal funding and being able to use those funds to repay a portion of the bonds required for construction.

We request your favorable consideration of this authorization to construct an addition to our laboratory building. Laboratories have changed dramatically over the last 20 years. We are now analyzing for chemicals and microorganisms that were not even heard of back then. The number and types of analyses has also increased dramatically. We have kept pace by adding new technology and automating those processes as much as possible. Now we need to update our work environment as well to protect our employees.

# SB 2023 Testimony before the Senate Appropriations Committee By Job Service North Dakota January 18, 2001

Mr. Chairman and members of the committee, I am Wayne Kindem,
Director of Administrative Services for Job Service North Dakota.

Job Service North Dakota delivers workforce services including unemployment insurance, reemployment, employment and job training services throughout North Dakota. The strategy for delivering services is continually evolving. Customers of workforce services are expecting services to be readily available and offered in alternative ways. Job Service is changing its service delivery strategy to become part of the coordinated workforce development system in North Dakota. Service delivery changes include increased use of technology to expand the ways customers can receive services such as use of telephone, internet, or in-person at self-service client service areas in our one-stop service centers. Providing in-person services at customer delivery locations will continue to be important but the mix of selfservice and in-person delivery is changing. Thus, our customer service offices are being renovated to add or expand client self-service areas. Our network of facilities for the most part is modern, up-to-date facilities requiring only minor structural/remodeling changes. The exception is our Bismarck area customer service delivery office. The Bismarck office facility is totally inadequate for the

continued delivery of quality customer service in the new one stop service strategy.

This capital project request is for replacement of the current Bismarck area service delivery office with an appropriate facility by purchasing land and construction of an office building. Specifically, this request is to acquire land and construct a 17,000 square foot office building located on one level with parking sufficient to accommodate 100 cars. The facility layout and functionality will be consistent with our Grand Forks office facility. The project cost of \$2,302,000 includes land purchase, architectural and engineering services, construction costs and provision for contingencies.

Attached to my testimony is a detailed statement of the need for this new facility.

### **IDENTIFICATION OF NEED**

### APPROPRIATE DELIVERY OFFICE FACILITY REQUIREMENTS

Job Service customer service delivery in a one-stop environment offers three options to customers for accessing services: self-service, facilitated service, and assisted service.

Self-service allows clients to review job search assistance information, schedule into job healrich workshops, explore training opportunities, place resumes on America's Talent Bank, register for work, use resume building software, interviewing skills software, view job seeking assistance video's, etc. This requires space for clients to use PC's, view videos, and read material.

Facilitated service is provided by customer service advisors who assist the client in locating appropriate service. This level of service is intended for clients having difficulty in using self-help options and generally results in the client being referred to one-on-one assistance or group service. Facility requirements include staff workstations allowing semi-private meetings with clients.

Assisted service is for clients requiring extended assistance provided by a customer service advisor in the form of employment counseling, testing, and scheduling into a workshop or referral to other agencies for service. Facility requirements include private offices, and testing or workshop rooms.

The desired facility also needs to accommodate employers by providing interview rooms and meeting rooms of sufficient size and flexibility to handle job fairs, workshops, and testing. Staff meetings also require conference room space. A model customer delivery facility has been established in Grand Forks. This facility, which services a clientele base similar to Bismarck, consists of a single story facility of 17,000 square feet with parking for 100 cars to accommodate staff and clients.

### **CURRENT BISMARCK OFFICE FACILITY SITUATION**

The facility currently used for delivering client services in Bismarck is a 8,670 square foot structure with basement, constructed in 1960. It has 24 parking spaces adjacent to the building. This facility is totally inadequate for the delivery of client services. Client in-person traffic is significant and continues to increase.

Yeer	Annual In-Person Traffic
1999	58,518
1906	<b>53,262</b>
1997	47,770
1996	43,990
1996	41,898
1994	36,000

The specific deficiencies are numerous including:

Parking Availability:

Current parking Need

100 parking spaces is adequate based on experience at our Grand Forks, Fargo, and Minot customer delivery offices. These offices have a staff and client base similar to Bismarck.

Parking on surrounding streets is limited to 1 and 2 hour restrictions.

24

100

### Total Space Availability:

Currently space is 6,670 on the main floor. The basement is of limited usefulness for service delivery since there is no elevator and therefore not accessible to many of our clients. Installing an elevator is not cost fertible based on bids obtained in the past. Our Grand Forks, Fargo, and Minot offices all have 17,000 square feet to accommodate the same level of staff and client traffic.

### Lobby and Client Self-Service Area:

Space availability in the current lobby and client resource area is extremely limited. As we move to offering services in a one-stop environment the need for adequate space is critical. Increased self-help access to Internet services, testing, resume software and labor market information will bring additional clients into our office.

### Employer interviewing, workshop, staff meeting areas:

There is very limited space for employers to interview applicants. Currently there is only one room available for these purposes but experience indicates a need that is much greater. The number and size of current meeting/conference rooms is also inadequate. We have a high demand for meeting room space to conduct applicant and employer workshops, provide for testing, hold informational meetings with staff and meet with other service providers.

### Environmental Issues:

The current air handling system has 5 heating and 5 air cooling systems. Even with this number it is very hard to maintain an even temporature in the building. Some areas of the office are very much affected by the outside temporature.

### Temporary Accommodations for the Current Deficiencies:

Temporary accommodations addressing the most significant deficiencies of the current facility were implemented in November 1999 by lessing 4,664 square feet of office space. The additional space is on the second floor of the US Bank building located across the street from the current owned office. This additional space allowed renovation and expension of the client resource area in the owned building. Employer services were moved to the lessed space allowing more appropriate space for providing employers with services. While this action addressed two critical needs it is viewed as a short-term or temporary accommodation for the following reasons.

- Two separate facilities are not economical. Additional parking has to be leased, janitorial services must be provided at both sites, duplicative equipment has to be maintained (fax, copier) and nonproductive staff time is incurred traveling between two sites.
- One-stop delivery strategy and the Workforce Inversiment Act program require partnering functions that are diminished by having two physically separate service delivery sites.
- Clients are inconvenienced by going to the wrong location and having to travel to the second location to receive services.
- Certain customers have to go to both locations to receive services.
- Some staff must continuously move between the two locations, which is inefficient.

### SUMMARY OF NEED

The current Bismarck office facility is inadequate in terms of parking, total floor space and configuration of space for one-stop service delivery. It cannot be expanded or renovated to address the identified deficiencies (this option has been researched with independent architectural consultant assistance). Lessing additional space and operating from multiple locations is not a feesible or appropriate long-term solution. An appropriately sized, configured and located facility for delivery of quality customer service in the Bismarck service delivery area is needed.