

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

**GOVERNMENT SERVICES COMMITTEE**

Wednesday, August 6, 2014  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Senators Ronald Sorvaag, Ron Carlisle, Richard Marcellais, David O'Connell; Representatives Roger Brabandt, Ed Gruchalla, Rick Holman, Karen Karls, Curtiss Kreun, Scott Louser, Gail Mooney, Alon Wieland

**Members absent:** Representatives Glen Froseth, George J. Keiser, Chet Pollert, Vicky Steiner

**Others present:** Sean B. Smith, Legislative Council, Bismarck  
Dick Dever, State Senator, Bismarck  
See [Appendix A](#) for additional persons present.

**It was moved by Senator O'Connell, seconded by Senator Carlisle, and carried on a voice vote that the minutes of the June 12, 2014, meeting be approved as distributed.**

**STUDY OF FACILITY NEEDS OF STATE AGENCIES IN THE BISMARCK AREA**

Mr. John Boyle, Director, Facility Management Division, Office of Management and Budget, presented information ([Appendix B](#)) regarding an update on the use of space being vacated by the Information Technology Department in the judicial wing of the State Capitol and amortization schedules for the State Capitol parking lots. He said the Department of Labor and Human Rights, the Supreme Court, the Secretary of State, and the Indian Affairs Commission will be allocated space which is being vacated by the Information Technology Department in the judicial wing of the State Capitol. He said the parking lots of the State Capitol complex are amortized over a period of 350 months.

In response to a question from Senator Carlisle, Mr. Boyle said the Capitol Grounds Planning Commission created a plan for the parking lots of the Capitol complex to address safety concerns, to increase available parking, to add sidewalks, and for beautification.

The committee conducted a tour of the judicial wing space vacated by the Information Technology Department at 9:10 a.m. and reconvened at 9:50 a.m.

Mr. Thomas L. Trenbeath, Chief Deputy Attorney General, Attorney General's office, presented information ([Appendix C](#)) regarding space needs of the Attorney General's office. He said the Attorney General's office has expanded and foresees further expansion in the future due to the increasing law enforcement needs of the state. He said the State Crime Laboratory building may need to be expanded during the 2017-19 biennium.

In response to a question from Chairman Sorvaag, Mr. Trenbeath said the Attorney General's office has been able to function efficiently with employees located at multiple sites.

In response to a question from Representative Wieland, Mr. Trenbeath said there is space adjacent to the Crime Laboratory building that would be available for an expansion of the building.

Mr. Joe Morrissette, Deputy Tax Commissioner, Tax Department, presented information ([Appendix D](#)) regarding space needs of the Tax Department, including utilization of space in the State Office Building. He said the Tax Department is located on the 7<sup>th</sup>, 8<sup>th</sup>, and 16<sup>th</sup> floors of the State Capitol. He said the Tax Department also uses 3,000 square feet in the State Office Building and has 15 employees located in Fargo, Grand Forks, Minot, Dickinson, and Williston. He said Tax Department space in the State Office Building is fully utilized during the tax filing season.

In response to a question from Representative Louser, Mr. Morrisette said the Tax Department has storage space in the basement of the Capitol. He said the Tax Department maintains paper returns for six months to a year.

In response to a question from Chairman Sorvaag, Mr. Morrisette said it is possible for certain staff of the department to be located away from the Capitol, but it may affect efficiency.

In response to a question from Representative Louser, Mr. Morrisette said the Tax Department has one room on the 16<sup>th</sup> floor of the Capitol to meet privately with individuals regarding taxes.

Mr. Bob Christman, Deputy Superintendent, Department of Public Instruction, presented testimony regarding the space needs of the Department of Public Instruction, including remodeling projects and potential remodeling projects. He said the Department of Public Instruction is remodeling its space in the Capitol to make space available for employees that have been located in the Liberty Memorial Building. He said the department is vacating the space it was using in the Liberty Memorial Building.

In response to a question from Chairman Sorvaag, Mr. Christman said Superintendent Kirsten Baesler is supportive of locating staff in the State Capitol to increase efficiency and staff interaction. He said the Department of Public Instruction does not currently need additional space.

Ms. Arvy Smith, Deputy State Health Officer, State Department of Health, presented information ([Appendix E](#)) regarding space needs of the State Department of Health, including the potential to relocate certain personnel to space away from the Capitol grounds. She said the State Department of Health currently occupies 29,740 square feet on the first and second floors of the judicial wing. She said the department is seeking to lease space to collocate all Emergency Preparedness and Response Section employees. She said if the department is successful in identifying a space to lease, 961 square feet of space in the judicial wing will be vacated. She said employees located in the judicial wing would prefer to remain in the judicial wing, and the department would like to have as many employees occupy as few locations as possible to improve efficiency.

The Legislative Council staff presented a memorandum entitled [Payments in Lieu of Property Taxes](#). The memorandum provides information regarding payments in lieu of property taxes made by five state agencies since fiscal year 2011. The Game and Fish Department paid over \$481,000 for in lieu of property taxes to multiple counties, and Workforce Safety and Insurance paid over \$181,000 for in lieu of property taxes to Burleigh County in fiscal year 2014.

Senator O'Connell asked the Legislative Council staff to provide additional information regarding the disparity between payments in lieu of property taxes to Ramsey County and Benson County by the State Water Commission.

The Legislative Council staff presented a bill draft [[15.0130.01000](#)] to provide an appropriation of \$300,000 to the Office of Management and Budget to develop a master plan for all state agencies with a physical location in the Bismarck area. Section 1 of the bill draft provides the master plan identify and address current and projected space needs of state agencies in the Bismarck area and include the estimated costs to address the needs. Section 2 of the bill drafts directs the Office of Management and Budget to provide periodic status reports on the development of the master plan to the Legislative Management during the 2015-16 interim.

In response to a question from Representative Mooney, Chairman Sorvaag said the study should identify which agencies need to be located in the Capitol, which can be located away from the Capitol grounds, and whether a new building should be constructed.

**It was moved by Senator Carlisle, seconded by Senator O'Connell, and carried on a voice vote that the bill draft be amended to include an emergency clause.**

**It was moved by Representative Gruchalla, seconded by Representative Wieland, and carried on a roll call vote that the bill draft, as amended, relating to a Bismarck agencies master plan be approved and recommended to the Legislative Management.** Senators Sorvaag, Carlisle, Marcellais, and O'Connell and Representatives Louser, Brabandt, Gruchalla, Holman, Karls, Kreun, Mooney, and Wieland voted "aye." No negative votes were cast.

## **STUDY OF THE USE OF STRUCTURES AND PROPERTY OF THE JAMES RIVER CORRECTIONAL CENTER AND THE STATE HOSPITAL**

The Legislative Council staff presented a bill draft [[15.0146.01000](#)] to provide an appropriation of \$250,000 to the Department of Human Services to develop a master plan in conjunction with the Department of Corrections and

Rehabilitation for the State Hospital and James River Correctional Center. Section 1 of the bill draft provides the master plan address land use, vacant structures, and current and projected space needs of the State Hospital and the James River Correctional Center. Section 2 of the bill draft directs the Department of Human Services to provide periodic status reports of the development of the master plan to the Legislative Management during the 2015-16 interim.

In response to a question from Senator Carlisle, Chairman Sorvaag said the State Hospital has approximately 3,000 acres of agricultural land.

In response to a question from Representative Kreun, Mr. Alex Schweitzer, Superintendent, State Hospital, said the agricultural land surrounds the State Hospital campus. Representative Kreun expressed concern with potentially selling all the agricultural land.

In response to a question from Representative Holman, Mr. Schweitzer said the 3,000 acres provides annual rental income of approximately \$175,000. The Legislative Budget Analyst and Auditor said the market value of the State Hospital agricultural land was estimated to be between \$4.2 million and \$4.9 million.

**It was moved by Representative Wieland, seconded by seconded by Representative Mooney, and carried on a roll call vote, that the bill draft be amended to include in the study the potential sale of State Hospital agricultural land, with a percentage of the proceeds to be used for capital improvements at the State Hospital and James River Correctional Center.** Senators Sorvaag, Carlisle, and Marcellais and Representatives Louser, Brabandt, Gruchalla, Karls, Kreun, Mooney, and Wieland voted "aye." Senator O'Connell and Representative Holman voted "nay."

**It was moved by Representative Wieland, seconded Representative Karls, and carried on a roll call vote that the bill draft, as amended, relating to a State Hospital and James River Correctional Center master plan be approved and recommended to the Legislative Management.** Senators Sorvaag, Carlisle, and Marcellais and Representatives Louser, Brabandt, Gruchalla, Holman, Karls, Kreun, Mooney, and Wieland voted "aye." Senator O'Connell voted "nay."

### OTHER COMMITTEE RESPONSIBILITIES

Mr. David Krabbenhoft, Director of Administration, Department of Corrections and Rehabilitation, presented information ([Appendix F](#)) regarding the Missouri River Correctional Center land use and planning study, including the department's plan regarding the relocation of the Missouri River Correctional Center pursuant to Section 4 of 2013 Senate Bill No. 2015. He said the Missouri River Correctional Center site consists of approximately 900 acres of land in southwest Bismarck along the Missouri River comprised of heavily wooded land, pastures, irrigated agricultural land, delineated wetlands, and a floodway. He said the center houses up to 151 minimum security inmates and there is no fence around the property.

Mr. Krabbenhoft said the study found it was physically feasible but not desirable to relocate the Missouri River Correctional Center to a site adjacent to the Youth Correctional Center. He said few, if any, efficiencies or operational cost-savings would be realized if the Missouri River Correctional Center was relocated to a site adjacent to the Youth Correctional Center. He said project costs for a new Missouri River Correctional Center facility on the Youth Correctional Center site are estimated to be over \$28 million. He said due to the age of the buildings, maintenance concerns, flood damage, and recent maintenance issues, including mold, considerable upgrades are required for the existing Missouri River Correctional Center facility. He said all or a portion of the Missouri River Correctional Center land is well-suited for use as a public day park, and the estimated cost to establish the park is between \$7.1 million and \$11.9 million.

In response to a question from Chairman Sorvaag, Mr. Krabbenhoft said the study did not include a review of locations other than the Youth Correctional Center site for a potential site for the Missouri River Correctional Center.

In response to a question from Representative Mooney, Mr. Krabbenhoft said if flood protection is established, the Missouri River Correctional Center could remain in the same location and a day park could be created with irrigated land providing a buffer between the facility and the park.

Representative Wieland expressed support for moving the Missouri River Correctional Center from its current location.

The committee recessed for lunch at 11:20 a.m. and reconvened at 1:00 p.m.

## STUDY OF CURRENT STATE AND FEDERAL BENEFITS AVAILABLE TO NORTH DAKOTA VETERANS

Senator Marcellais presented information ([Appendix G](#)) regarding the Serving Veterans in Rural America: A Symposium. Senator Marcellais said issues and concerns of veterans in rural areas include employment, housing, and health care. He said housing is limited due to high unemployment and high poverty, and there is a need for better transportation to the United States Department of Veterans' Affairs (VA) Hospital in Fargo.

In response to a question from Representative Kreun, Senator Marcellais said the tribal colleges recruit veterans for educational programs.

Ms. Pamela Standing, Executive Director, Service Dogs for America, presented information ([Appendix H](#)) regarding the service dog training program. She said 10 dogs are ready for placement in North Dakota and SDA is also raising private funds for the service dog program.

Mr. Dalles Jorgenson, Valley City, commented regarding his experience with posttraumatic stress disorder and the use of a service dog. He expressed support for the service dog training program.

In response to a question from Senator Marcellais, Mr. Jorgenson said he has spoken to other veterans regarding the availability of the service dog training program.

In response to a question from Representative Louser, Mr. Jorgenson said he had to complete 60 hours of training with the service dog before he could use the dog in public.

In response to a question from Representative Mooney, Mr. Jorgenson said some of the positive effects of having a service dog were immediate; but after six months, the positive effects were substantial.

In response to a question from Chairman Sorvaag, Ms. Standing said Service Dogs for America (SDA) gets many calls from veterans in North Dakota, but completing the application is a challenge for veterans. She estimated SDA could place 20 dogs per year in North Dakota. She said SDA plans to have service dogs trained at the North Dakota State Penitentiary and the James River Correctional Center.

In response to a question from Representative Wieland, Ms. Standing said the average training cost per service dog is approximately \$20,000.

Mr. Lonnie Wangen, Commissioner, Department of Veterans' Affairs, Fargo, presented information ([Appendix I](#)) regarding the federal veterans' hospital system in North Dakota. He said a recent federal review by the Office of Inspector General determined the Fargo VA Health Care System scheduled 97 percent of appointments between 0 and 30 days of the reference date. He said the federal Office of Inspector General did not identify any significant issues at the Fargo facility, and the facility was not selected for further review and investigation.

Ms. Betsy Dalrymple, ND Cares Task Force, presented information ([Appendix J](#)) regarding the activities of the ND Cares Task Force. Ms. Dalrymple said ND Cares is a coalition dedicated to strengthening an accessible, seamless network of support for service members, veterans, families, and survivors in North Dakota. She said the priority of ND Cares is behavioral health, including promotion of emotional health, prevention of mental health disorders, prevention of substance use disorders, and treatment and recovery support.

Ms. Brenda Bergsrud, North Dakota Department of Veterans' Affairs, commented regarding gaps in services for veterans. She said service gaps are present in transportation services, health care access, mental health services, substance abuse services, housing, employment, and financial counseling.

Ms. Mikki Savelkoul, Director, Suicide Prevention Program, State Department of Health, commented regarding veteran suicides. She said of the 138 suicides in North Dakota in 2013, 22 were veteran and military-related suicides. She said those numbers represent a significant increase from 89 suicides in North Dakota in 2009, of which 14 were veteran and military-related.

In response to a question from Senator Marcellais, Ms. Dalrymple said ND Cares is working with the Indian Affairs Commission to ensure information is distributed to Native Americans.

Brigadier General Alan S. Dohrmann, Deputy Adjutant General, North Dakota National Guard, presented information ([Appendix K](#)) regarding the projected costs for writing, publishing, and distributing a record of all North Dakota veterans, including those killed in action and missing in action, since statehood. He said a request for proposal was issued on July 23, 2014, to research and write a record of all North Dakota veterans.

In response to a question from Chairman Sorvaag, Brigadier General Dohrmann said it may not be appropriate for the Adjutant General to raise private funds to pay for writing, publishing, and distributing a record of all North Dakota veterans.

In response to a question from Representative Mooney, Brigadier General Dohrmann said while the Adjutant General may provide assistance, it may be more appropriate for another state agency to have primary responsibility for the writing, publishing, and distributing of a record of all North Dakota veterans.

Mr. Sean B. Smith, Legislative Council, presented a memorandum entitled [Veterans' Assistance Programs and the Definition of Veteran for Purposes of Eligibility Under the Programs](#). He said veterans' assistance programs include support services, education services, tax benefits, and other benefits. He said the North Dakota Century Code includes a number of definitions of veteran. Many are unique to specific programs. Statutory definitions of veteran include:

- An individual who served in the armed forces of the United States on federal active duty for reasons other than training and who has been discharged under other than dishonorable conditions;
- An individual who has served on continuous federalized active military duty for 180 days or the full period for which the individual was called or ordered to active military duty for reasons other than training, and who was discharged or released under other than dishonorable conditions;
- An individual who served in the active military forces, during a period of armed conflict or who received the armed forces expeditionary or other campaign service medal during an emergency condition and who was discharged or released under other than dishonorable conditions; and
- A member of the national guard or reserve component who was activated under 10 U.S.C. 12301, as effective, in effect on October 28, 2004, and 10 U.S.C. 12302, in effect on December 31, 2011, and who completed honorable and faithful service of more than 30 days on active duty in the armed forces of the United States at any time during the period of service, or active component member awarded the expeditionary medal or campaign badge for service after December 5, 1992, who was a resident of the state of North Dakota, and who has not received bonus or adjusted compensation from another state for the period of service.

Mr. Ron Otto, Morton and Oliver County Veterans' Service Officer, commented regarding wait times to receive services from the VA Hospital in North Dakota. He said most veterans are being seen on a timely basis in North Dakota. He said new enrollees experience the most difficulty with wait times.

In response to a question from Senator Carlisle, Mr. Otto said the federal requirement that claims be processed on the national level rather than at the VA Hospital in Fargo has resulted in longer wait times in North Dakota.

The Legislative Council staff presented a bill draft [\[15.0166.01000\]](#) to exempt military retirement pay from the state income tax. The Legislative Council staff said a similar bill draft was introduced but not approved during the 2013 legislative session. The bill draft would have resulted in a general fund revenue reduction of an estimated \$4 million during the 2013-15 biennium.

Mr. Keith Magnusson, National Guard Association of North Dakota, presented testimony ([Appendix L](#)) in support of the bill draft [\[15.0166.01000\]](#) to exempt military retirement pay from the state income tax.

**It was moved by Senator Carlisle, seconded by Representative Karls, and carried on a roll call vote that the bill draft relating to an exemption of military retirement pay from the state income tax be approved and recommended to the Legislative Management.** Senators Sorvaag, Carlisle, Marcellais and O'Connell and Representatives Louser, Brabandt, Gruchalla, Karls, Kreun, and Mooney voted "aye." Representative Wieland voted "nay."

The Legislative Council staff presented a bill draft [\[15.0183.01000\]](#) to provide an appropriation to the Adjutant General for writing, publishing, and distributing a record of all North Dakota veterans.

Senator O'Connell suggested the Adjutant General not be directed to write, publish, and distribute a record of all North Dakota veterans.

In response to a question from Representative Mooney, Chairman Sorvaag said information relating to the service dog training program would be included in the committee's report.

**It was moved by Senator O'Connell, seconded by Representative Wieland, and carried on a roll call vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Legislative Management.** Senators Sorvaag, Carlisle, Marcellais, and O'Connell and Representatives Louser, Brabandt, Gruchalla, Karls, Kreun, Mooney, and Wieland voted "aye." No negative votes were cast.

No further business appearing, Chairman Sorvaag, without objection, adjourned the committee sine die at 3:15 p.m.

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Alex J. Cronquist  
Fiscal Analyst

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:12