
GOVERNMENT SERVICES COMMITTEE

Thursday, September 19, 2024
327B Room, State Capitol
Bismarck, North Dakota

Representative Ben Koppelman, Chairman, called the meeting to order at 10:32 a.m.

Members present: Representatives Ben Koppelman, Rose Christensen, Liz Conmy, Karla Rose Hanson*, Karen Karls, Lisa Meier, Jeremy Olson, Shannon Roers Jones, Steve Vetter; Senators Diane Larson, Tim Mathern, Jim P. Roers

Members absent: Senators Randy A. Burckhard, Michael Dwyer

Others present: Senator Dick Dever, Bismarck; Representative Josh Boschee, Fargo

Katie Jo Armbrust, Grand Forks Housing Authority; Brian Berg, Zerr Berg Architects; David Flohr, Housing Finance Agency; Bruce Murry, Fraser, LTD; Jennifer Penner, Attorney General's office; Rikki Roehrich*, Department of Commerce; Nathan Roisen, BWBR; Susan Sisk, Office of Management and Budget; and Jen Withers, Department of Public Instruction;

See Appendix A for additional persons present.

*Attended remotely.

It was moved by Senator Mathern, seconded by Representative Olson, and carried on a voice vote that the minutes of the June 27, 2024, meeting be approved as distributed.

STUDY OF CONSTRUCTION AND INFRASTRUCTURE PROCUREMENT

Mr. Alex Cronquist, Senior Fiscal Analyst, Legislative Council, presented a bill draft [25.0375.03000] regarding the construction management at-risk (CMAR) procurement process and the selection process for architect and engineering services.

Committee members commented regarding:

- Section 1 of the bill draft, which prohibits an architect or engineer contracted for the project from serving on the selection committee for CMAR, potentially eliminating possible conflicts of interest.
- The appropriate amount of flexibility for public entities to select contractors the public entities have previously selected.
- The appropriate level of weighting to apply to cost in the selection of CMAR.
- The inclusion of fees in the process of selecting an architect or engineer.

In response to a question from Chairman Koppelman, Mr. Cronquist noted the intent of Section 2 of the bill draft would allow a government entity to issue a unique bid form, if approved by the Office of Management and Budget

(OMB), for each project.

Mr. Mike Krumwiede, Executive Director, North Dakota Chapter of the American Institute of Architects (AIA) and American Council of Engineering Companies of North Dakota (ACEC/ND), commented regarding the bill draft. He noted:

- AIA and ACEC/ND are not requesting any changes to the architect, engineer, and CMAR selection processes. ~~He added that f~~
- Fees and expenses are negotiated between the state agency and the architect or engineer after the architect or engineer has been selected, however, the state agency is not obligated to enter ~~into~~ a contract with the selected architect or engineer if the fees and expenses are not fair and reasonable.

Committee members commented regarding the efficiency, fairness, and consistency of the architect and engineer selection process.

Mr. Russ Hanson, Executive Vice President, Associated General Contractors of North Dakota, commented regarding the bill draft. He noted the change to use the lowest responsible bidder for agency construction management and CMAR resembles the design-bid-build process.

Chairman Koppelman commented regarding the responsible use of state and local tax funds in the architect, engineer, and CMAR selection processes.

Mr. Mike Dunn, Business Development Manager, Construction Engineers of Grand Forks, commented regarding the bill draft. He expressed support for the current CMAR procurement process.

Committee members expressed concerns regarding:

- Weighting fees and expenses at a minimum of 50 percent in the CMAR selection process, a higher percentage than the other weighting factors, including prior experience.
- Establishing a weighted evaluation process for the selection of an architect or engineer.

It was moved by Senator Mathern, seconded by Representative Conmy, and carried on a roll call vote to ~~amend~~revise the bill draft [25.0375.03000] to replace "fifty" with "twenty" on page 2, line 2; remove changes on page 2, line 3; and remove lines 15 through 23 on page 3, relating to the weighting of criteria for the evaluation of architect, engineer, and CMAR submissions. Representatives Koppelman, Conmy, Hanson, Olson, Roers Jones, and Vetter and Senators Larson, Mathern, and Roers voted "aye." Representatives Christensen, Karls, and Meier voted "nay."

It was moved by Representative Roers Jones, seconded by Senator Roers, and failed on a roll call vote to ~~amend~~revise the bill draft [25.0375.03000] to include a section to remove subdivision h from subsection 5 of Section 48-01.2-20 of the North Dakota Century Code, relating to the inclusion of any reasonable information the selection committee deems necessary as an item of criteria on which the CMAR selection committee may evaluate submissions. Representative Roers Jones and Senator Roers voted "aye."

Representatives Koppelman, Conmy, Hanson, Olson, Christensen, Karls, Meier, and Vetter and Senators Larson and Mathern voted "nay."

It was moved by Representative Olson, seconded by Representative Conmy, and carried on a roll call vote that bill draft [25.0375.03000], as amended revised, relating to the CMAR procurement process and the selection process for architect and engineering services, be recommended to the Legislative Management. Representatives Koppelman, Christensen, Conmy, Olson, Roers Jones, and Vetter and Senators Larson, Mathern, and Roers voted "aye." Representatives Hanson, Karls, and Meier voted "nay."

STUDY OF THE STATE CRIME LABORATORY

Ms. Jennifer Penner, Director, State Crime Laboratory, Attorney General's office, introduced Mr. Brian Berg, Principal Architect, Zerr Berg Architects, and Mr. Nathan Roisen, Principal Architect, BWBR, to discuss planning and design for a State Crime Laboratory project.

Mr. Berg presented information (Appendix B) regarding the State Crime Laboratory project background. He noted the current State Crime Laboratory was built in 2008 for 16 staff, but the headcount now totals 29 employees occupying 19,508 square feet.

Mr. Roisen presented information (Appendix C) regarding the State Crime Laboratory design process, site analysis, and cost estimates. He noted:

- Over 52,000 square feet would be needed for current and future staffing levels at the State Crime Laboratory.
- Locations were reviewed for a new or expanded State Crime Laboratory and included four concepts, including a new facility on the State Department of Health and Human Services Laboratory site, a new facility on the Capitol grounds, an expansion of the current State Department of Health and Human Services Laboratory, and an expansion of the current State Crime Laboratory.
- The estimated cost of the project ranges from \$42.2 million to \$48.8 million.

STUDY OF HOMELESSNESS AND BARRIERS TO HOUSING

Ms. Rikki Roehrich, Deputy Director, Department of Commerce, presented information (Appendix D) regarding the renaissance zone program, including the potential to include low-income housing and other requirements. She noted:

- The renaissance zone program offers state and local tax incentives for up to 8 years for community projects.
- Both residential and commercial projects are allowed under the program, and projects that include multifamily housing units for rent are considered commercial projects.
- The renaissance zone program emphasizes local control, allowing cities to determine the prioritization of creating or maintaining affordable, low-income housing.

Mr. Cronquist presented a bill draft [25.0377.02000] to provide funding for various programs to address homelessness, including \$10 million for homeless grants, \$300,000 for the provision of legal representation for indigent individuals facing eviction, \$50,000 for a consultant to assist with a study of homelessness, \$1.2 million for

school homelessness liaison services, and \$200 million for the housing incentive fund.

Committee members expressed concern regarding the provision of state support for legal representation for an individual facing eviction who may be opposing another resident of the state.

Mr. Cronquist presented a bill draft [25.0378.01000] to establish a legal process for the emancipation of a minor in the state.

Committee members expressed concern regarding establishing a process for minor emancipation.

Senator Dick Dever, Bismarck, commented in support of the bill draft to provide funding for programs to address homelessness. He expressed concern regarding out-of-state corporations purchasing mobile home parks, including the potential impact on homelessness due to increased lot rent costs for mobile homes.

Mr. David A. Flohr, Executive Director, Housing Finance Agency, commented in support of the bill draft to provide funding for programs to address homelessness. He noted the Housing Finance Agency ~~would~~ likely would contract with a nonprofit organization to provide representation for individuals facing eviction.

Ms. Jen Withers, Assistant Director, Office of Educational Improvement and Support, Department of Public Instruction, commented regarding ~~current~~ homelessness liaison services provided in schools.

Ms. Katie Jo Armbrust, Director of Program Development and Advocacy, Grand Forks Housing Authority, provided information (Appendix D) regarding affordable housing, housing needs, and the planned use of funds proposed in the bill draft. She expressed support for the bill draft and asked that funding relating to homelessness be appropriated to the Housing Finance Agency.

Representative Josh Boschee, Fargo, commented in support of the bill draft to provide funding for programs to address homelessness.

Mr. Bruce Murry, Lobbyist, Fraser LTD, presented testimony (Appendix E) in support of state funding designated for youth housing services.

It was moved by Representative Hanson, seconded by Senator Mathern, and failed on a roll call vote to recommend the bill draft [25.0378.01000], relating to the emancipation of a minor, to the Legislative Management. Representatives Hanson, Conmy, Olson, and Roers Jones and Senators Mathern and Roers voted "aye." Representatives Koppelman, Christensen, Karls, Meier, and Vetter and Senator Larson voted "nay."

It was moved by Senator Mathern, seconded by Senator Roers, and carried on a roll call vote to ~~amend~~revise the bill draft [25.0377.02000], relating to funding for programs to address homelessness, to ~~amend Section 2 to~~ direct the Housing Finance Agency in section 2 to collaborate with the Department of Health and Human Services for eviction representation, to ~~amend Section 4 to~~ reduce total funding in section 4 to \$1 million and reduce the maximum amount per school per year to \$50,000 for homelessness

liaison services, and to ~~amend Section 5 to include~~ in section 5 a statement of legislative intent that the \$200 million for the housing incentive fund be distributed over 4 years. Representatives Conmy, Hanson, Karls, Meier, Olson, and Roers Jones and Senators Mathern and Roers voted "aye." Representatives Koppelman, Christensen, and Vetter and Senator Larson voted "nay."

It was moved by Representative Vetter, seconded by Representative Meier, and carried on a roll call vote to ~~amend~~ revise the bill draft [25.0377.02000] to remove Section 2, relating to eviction representation. Representatives Koppelman, Christensen, Karls, Meier, Olson, Roers Jones, and Vetter and Senators Larson and Roers voted "aye." Representatives Conmy and Hanson and Senator Mathern voted "nay."

It was moved by Senator Mathern, seconded by Senator Roers, and carried on a roll call vote to recommend the bill draft [25.0377.02000], as ~~amended~~ revised, relating to funding for programs to address homelessness, to the Legislative Management. Representatives Koppelman, Conmy, Hanson, Karls, Meier, Olson, Roers Jones, and Vetter and Senators Larson, Mathern, and Roers voted "aye." Representative Christensen voted "nay."

STUDY OF A STATUTORY CONSTRUCTION COMMITTEE

Mr. Cronquist presented a bill draft [25.0376.02000] to establish a legislative committee with oversight of state building projects and to clarify the authority of the Capitol Grounds Planning Commission.

Committee members commented regarding:

- The requirement that the proposed facility construction committee meet quarterly.
- Potential overlap of the duties and authority of the proposed committee with the Capitol Grounds Planning Commission.
- Minority party representation on the proposed committee.
- Legislative involvement in state facilities planning.

It was moved by Senator Mathern, seconded by Representative Olson, and carried on a roll call vote to ~~amend~~ revise the bill draft [25.0376.02000] to require at least one minority party member from each chamber be appointed to the facility construction committee. Representatives Koppelman, Christensen, Conmy, Hanson, Karls, Meier, Olson, Roers Jones, and Vetter and Senators Larson, Mathern, and Roers voted "aye." No negative votes were cast.

It was moved by Representative Olson, seconded by Senator Roers, and carried on a roll call vote to recommend the bill draft [25.0376.02000], as ~~amended~~ revised, to establish a legislative committee with oversight of state building projects and to clarify the authority of the Capitol Grounds Planning Commission, to the Legislative Management. Representatives Koppelman, Conmy, Hanson, Meier, Olson, Roers Jones, and Vetter and Senators Larson, Mathern, and Roers voted "aye." Representatives Christensen and Karls voted "nay."

OTHER DUTIES

Ms. Susan Sisk, Director, Office of Management and Budget, presented information (Appendix F) regarding

reports and plans from each executive branch agency to continue operating if federal funds the agency receives would be reduced by 5 percent or more, pursuant to North Dakota Century Code Section 54-27-27.1. She noted:

- OMB surveyed 32 executive branch agencies that receive federal funds.
- Six agencies are expecting a decrease in federal funds of 5 percent or more, including the Secretary of State, Department of Health and Human Services, Department of Mineral Resources, Highway Patrol, Department of Corrections and Rehabilitation, and Department of Water Resources.
- The Secretary of State would request state funds for election security if federal funding ~~isn't~~is not continued.
- The Department of Corrections and Rehabilitation will be requesting \$7 million from the state to replace federal funding for Victims of Crime Act grants.

In response to a question from a committee member, Ms. Sisk noted the report only identifies plans for agencies ~~that are~~ expecting a reduction of 5 percent or more of federal funds.

Committee members commented regarding the requirements of the report under Section 54-27-27.1.

It was moved by Senator Mathern, seconded by Representative Vetter, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee, to present the report and recommended bill drafts to the Legislative Management, and that the committee be adjourned sine die.

~~The~~Chairman Koppelman adjourned the meeting ~~adjourned~~ at 4:25 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH: