

House Bill 1092
Testimony of Phil Davis
Job Service North Dakota
Before the
Senate Committee On
Industry and Business
Senator Larsen, Chair
March 6th, 2023

Mr. Chairman, members of the committee, my name is Phil Davis, Workforce Services Director of Job Service North Dakota. I am here today in support of House Bill 1092.

Selling property owned by Job Service is somewhat unique based upon the fact that the agency is funded almost exclusively by the federal government, with our properties funded entirely by the federal government. Because of the federal investment, we are required to follow both state and federal laws when disposing of these properties.

There are a variety of requirements that federal law outlines as it relates to property disposal, with a key component being that properties must be appraised and subsequently sold at fair market value, eliminating our ability to transfer the property to another entity at no cost or at a significantly reduced amount.

The property we are seeking permission to sell is the Minot Workforce Center and the surrounding 2.75 acres it is located on. Although we have not expended any funds to complete an appraisal due to the lack of authority to sell the property, the insurance value of the property is approximately \$2,265,100.

While there are several reasons why we are exploring selling the building, I will quickly focus on two major reasons. The first is staffing. Over the last 40 years, we have decreased our staff from 36 to 8 and no longer require a 17,000 square foot building. The second reason is location. The location was selected based on an understanding Minot would grow to the north. While Minot has grown, the current location is still inaccessible to public transportation resulting in individuals being unable to access our services in person. Ideally, we would co-locate or locate near another state agency providing services to the public in Minot, such as DHHS/Voc-Rehab.

Federal law also dictates how sale proceeds are to be disbursed, requiring that proceeds of any sale be returned to the program from which the funding originated. In the case of the Minot property, the Unemployment Insurance and Wagner-Peyser programs provided the funding for the acquisition of the property and any sale proceeds would be returned to these federal grant programs for use in North Dakota.

Mr. Chairman, this concludes my testimony. At this time, I would be happy to answer questions from the committee.