

GOVERNMENT SERVICES COMMITTEE

The Government Services Committee was assigned five studies:

- Section 22 of Senate Bill No. 2003 (2023) directed a study regarding the services and needs of the State Crime Laboratory.
- Section 4 of House Bill No. 1288 (2023) directed a study regarding infrastructure development by private operators as provided for under North Dakota Century Code Chapter 48-02.1, agency construction management procurement procedures under Section 48-01.2-19, and construction management at-risk delivery methods under Section 48-01.2-20.
- The Legislative Management directed a study regarding the feasibility and desirability of creating a statutory committee to assist in the design and oversight of the remodel or construction of state-owned buildings.
- House Concurrent Resolution No. 3030 (2023) directed a study regarding homelessness and barriers to housing.
- Senate Concurrent Resolution No. 4004 (2023) directed a study regarding accessible transportation for older adults and individuals with disabilities in the state.

The Legislative Management also assigned the committee the responsibility to:

- Receive a report from the Office of Management and Budget (OMB) by October 15 of each even-numbered year, regarding the reports received by OMB from each executive branch state agency, excluding entities under the control of the State Board of Higher Education, receiving federal funds, of a plan to operate the state agency if federal funds are reduced by 5 percent or more of the total federal funds the state agency receives, pursuant to Section 54-27-27.1.
- Approve any agreement between a North Dakota state entity and South Dakota to form a bistate authority pursuant to Section 54-40-01.
- Receive a report from the Veterans' Home by January 1, 2024, regarding the status of implementing recommendations included in the Veterans' Home strategic plan, pursuant to Section 6 of House Bill No. 1007 (2023).

Committee members were Representatives Ben Koppelman (Chairman), Cole Christensen, Rose Christensen, Liz Conmy, Karla Rose Hanson, Karen Karls, Lisa Meier, Jeremy Olson, Shannon Roers Jones, and Steve Vetter and Senators Randy A. Burckhard, Michael Dwyer, Diane Larson, Tim Mathern, and Jim P. Roers.

Representative Cole Christensen was a member of the committee until his resignation from the Legislative Assembly on February 23, 2024, and was replaced on the committee by Representative Rose Christensen effective March 6, 2024.

STUDY OF THE STATE CRIME LABORATORY

Section 22 of Senate Bill No. 2003 (2023) directed a study of the State Crime Laboratory, including:

- State Crime Laboratory staffing and equipment needs.
- The need for forensic scientists with training in firearms and fingerprint analysis.
- The feasibility and desirability of remodeling current State Crime Laboratory facilities, acquiring other vacant laboratory facilities in the state, and operating additional State Crime Laboratory facilities in the state.
- Services the State Crime Laboratory should have the capability of providing to support law enforcement entities in the state.
- Whether the State Crime Laboratory should be administratively separate from the Bureau of Criminal Investigation.

Statutory Provisions

The State Crime Laboratory is established as a division of the Attorney General's office in Section 54-12-24. Section 54-12-24(3) provides:

Upon the request of the state forensic examiner, any state's attorney, sheriff, chief of police, coroner, or other local, state, or federal law enforcement official, the attorney general may make available to the requesting official the state crime laboratory's facilities and personnel to assist in the investigation or detection of crimes and the apprehension or prosecution of criminals.

State Crime Laboratory

The State Crime Laboratory is a state-owned, 19,508-square-foot facility located on East Main Avenue in Bismarck. The 2005 Legislative Assembly appropriated \$3.65 million from bond proceeds for a 13,000-square-foot expansion to the existing State Crime Laboratory, which was colocated with the Public Health Laboratory. The Attorney General's office reported after spending nearly \$400,000 for design and engineering services, the resulting bids exceeded the funds available and the project was delayed until the 2007 Legislative Assembly could address the issue of additional funding. The 2007 Legislative Assembly allowed the Attorney General to continue existing bond proceeds and appropriated an additional \$1.44 million from the general fund and \$200,000 from special funds for continuation of the project and redesign of a 19,000-square-foot structure in close proximity to the existing laboratory. The building was completed in October 2008.

Representatives of the Attorney General's office reported the State Crime Laboratory is an internationally accredited laboratory serving all law enforcement agencies from across the state, including police departments, sheriffs' offices, state law enforcement agencies, and federal agencies, including the Federal Bureau of Investigation, Bureau of Indian Affairs, and tribal law enforcement agencies. According to the testimony the number of cases submitted to the laboratory has been steadily increasing each year, resulting in a growing backlog of evidence.

The Attorney General, as part of the Attorney General's budget submission to the 2023 Legislative Assembly, requested \$4,250,000 to construct an addition to the State Crime Laboratory. The testimony to the Appropriations Committees of the 2023 Legislative Assembly stated additional laboratory space is needed for current and additional forensic scientists and additional workspace is necessary for writing and processing reports. The 2023 Legislative Assembly appropriated \$1,890,677, including \$1,136,000 from the general fund and \$754,677 from federal funds, for State Crime Laboratory capital assets, including funding for firearms and fingerprint software and testing equipment upgrades, the replacement of intoxilyzers, and \$250,000 for capital improvements. In addition, the appropriation was increased by \$222,000 from the general fund for State Crime Laboratory building and equipment maintenance contract costs.

The 2023 Legislative Assembly appropriated \$1.7 million from the general fund, including approximately \$1.1 million for salaries and wages and \$626,466 for operating expenses for 6 new State Crime Laboratory full-time equivalent (FTE) positions. The new FTE positions include 2 firearms testing positions, 2 fingerprint testing positions, and 2 forensic scientist positions. The committee was informed 29 headcount employees work at the laboratory, compared to 17 FTEs at the time the State Crime Laboratory was constructed. Committee members expressed support for the current administrative structure of the State Crime Laboratory and for the expansion of capabilities of the State Crime Laboratory to include ballistic and fingerprint testing.

The Attorney General contracted with architects for the planning and design of a State Crime Laboratory capital project. The architects informed the committee:

- 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 current State Health Laboratory site, a new facility on the northwest corner of the Capitol grounds, an expansion of the current State Health 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.

The architects noted the State Crime Laboratory is not compatible with a public-facing site and a location on the Capitol grounds may not be desirable for a new facility.

Committee Consideration

The committee makes no recommendation regarding its study of the State Crime Laboratory.

STUDY OF INFRASTRUCTURE DEVELOPMENT AND CONSTRUCTION MANAGEMENT PROCUREMENT

Section 4 of House Bill No. 1288 (2023) provides for a Legislative Management study regarding infrastructure development by private operators as provided for under Chapter 48-02.1, agency construction management procurement procedures under Section 48-01.2-19, and construction management at-risk (CMAR) delivery methods under Section 48-01.2-20. The study required input from contractor groups and other stakeholders to determine how public-private partnerships are being used and whether the use of these partnerships has been successful.

Statutory Provisions and Definitions

Chapter 48-01.2 addresses public improvement bids and contracts. The chapter generally applies to the construction, repair, or alteration of a public improvement undertaken by the state or a political subdivision. Section 48-01.2-01(4) defines "construction" as the process of building, altering, repairing, improving, or demolishing any public structure or building or other improvement to any public property. Section 48-01.2-01(21) defines a "public improvement" as "any improvement undertaken by a governing body for the good of the public and which is paid for with any public funds, including public loans, bonds, leases, or alternative funding, and is constructed on public land or within an existing or new public building or any other public infrastructure or facility if the result of the improvement will be operated and maintained by the governing body."

Section 48-01.2-02 requires a governing body, if the project is estimated to cost more than \$200,000, to procure plans, drawings, and specifications for the work from an architect or engineer.

Section 48-01.2-04(1) requires a governing body to advertise for bids by publishing an advertisement for 3 consecutive weeks if the public improvement is estimated to cost more than \$200,000. Section 48-01.2-07 requires the governing body to open all bids at the time stated in the notice and award the contract to the lowest responsible bidder. Section 48-01.2-01(19) defines "lowest responsible bidder" as "the lowest best bidder for the project considering past experience, financial condition, past work with the governing body, and other pertinent attributes that may be identified in the advertisement for bids."

Section 48-01.2-01(7) defines "construction manager" as "a contractor licensed under Chapter 43-07 or an individual employed by a licensed contractor which has the expertise and resources to assist a governing body with the management of the design, contracting, and construction aspects of a public improvement." Section 48-01.2-18 provides that a governing body may use the agency construction management or CMAR delivery methods for construction of a public improvement.

Architect and Engineering Services

Section 54-44.7-02 requires all North Dakota state agencies to negotiate contracts for architect and engineering services on the basis of demonstrated competence and qualification for the particular type of services required. Section 54-44.7-03(4) provides following receipt of information from all interested persons and firms, the agency selection committee shall hold interviews with at least three persons or firms who have responded to the committee's advertisement and who are deemed most qualified on the basis of information available prior to the interviews. Section 54-44.7-03(5) directs the agency selection committee to evaluate each of the persons or firms interviewed on the basis of the following criteria:

1. Past performance.
2. The ability of professional personnel.
3. Willingness to meet time and budget requirements.
4. Location, with higher priority given to firms headquartered in North Dakota.
5. Recent, current, and projected workloads of the persons or firms.
6. Related experience on similar projects.
7. Recent and current work for the agency.

The committee was informed 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 a contract with the selected architect or engineer if the fees and expenses are not fair and reasonable. Committee members expressed concern regarding the lack of consideration of potential fees and expenses in the selection of an architect or engineer.

Construction Management At-Risk

Section 48-01.2-01(6) defines CMAR as "a public improvement delivery method through which a construction manager provides advice to the governing body during the planning and design phase of a public improvement, negotiates a contract with the governing body for the general construction bid package of the public improvement, and contracts with subcontractors and suppliers for the actual construction of the public improvement." Section 48-01.2-20(1) establishes the CMAR selection committee as follows:

1. A governing body electing to utilize a construction management at-risk delivery process for a proposed public improvement shall create a selection committee composed of:
 - a. An administrative individual from the governing body.

- b. A registered architect.
- c. A registered engineer.
- d. A licensed contractor.

Section 48-01.2-20(5)(6) provide for the evaluation of CMAR submissions as follows:

5. The selection committee shall determine the appropriate evaluation criteria for each request for qualifications, including:
 - a. The person's experience on any similar project;
 - b. The person's existing workload and available capacity;
 - c. The person's key personnel experience on any similar project;
 - d. The person's safety record;
 - e. The person's familiarity with the location of the public improvement;
 - f. The person's fees and expenses;
 - g. The person's compliance with state and federal law; and
 - h. Any reasonable information the selection committee deems necessary.
6. The selection committee shall evaluate each submission based on the qualification criteria under subsection 5 and shall include the numeric scoring of each criteria item on a weighted basis, with no item being weighted at more than twenty percent and no less than five percent. The weighting of the qualification criteria must be done in a manner to ensure no subjective bias and encourage the maximum participation of a qualified construction managers at-risk.

Section 48-01.2-22 provides for the selection of subcontractors to complete the general construction portions of the improvement as follows:

1. An agency construction manager selected for a public improvement shall publicly advertise and publicly open bids from subcontractors for the work items necessary to complete the general construction portions of the improvement. The governing body may influence the selection of the subcontractors, but only insofar as the governing body's past experience with a subcontractor or a current legal dispute with a subcontractor.
2. A construction manager at-risk selected for a public improvement shall publicly advertise and publicly open bids from subcontractors for the work items the construction manager at-risk chooses not to perform. The construction manager at-risk then shall evaluate the bids and determine which is the most responsible. The governing body may influence the selection of the subcontractors, but only insofar as the governing body's past experience with a subcontractor or a current legal dispute with a subcontractor.

The committee received testimony from representatives of the Associated General Contractors of North Dakota, Bismarck Public Schools, Construction Engineers of Grand Forks, the City of Bismarck, the North Dakota Association of Counties, the North Dakota Chapter of the American Institute of Architects, the American Council of Engineering Companies of North Dakota, the University of North Dakota, and North Dakota State University regarding the CMAR procurement process. Testimony received by the committee generally was supportive of the CMAR procurement process.

Committee members expressed concern regarding:

- Potential conflicts of interest arising from the architect and engineer contracted for a project also being on the CMAR selection committee.
- The lack of required prioritization for the weighting of fees and expenses in the evaluation of CMAR submissions. Members suggested fees be weighted at 50 percent to ensure efficient use of state resources. Other members suggested 50 percent was too high and may impact the quality of the construction.
- The ability of the CMAR to perform general construction work items without following a bid process. Members suggested this may lead to a more costly project and it is a "loophole" around the bidding process that exists for most projects.
- The potential for the fees and expenses submitted to exclude certain costs, increasing the difficulty of comparing various submissions for CMAR services.

Public-Private Partnerships

Chapter 48-02.1, enacted by the 1993 Legislative Assembly, provides a method for the development of infrastructure by private operators. The committee received testimony indicating this chapter is interpreted to allow for the construction of facilities on state property without specific approval from the Legislative Assembly. A public-private partnership generally is defined as a collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects. Typically, a public-private partnership involves initial private capital financing for government projects or services, followed by the receipt of revenues from taxpayers or users for profit over the course of the public-private partnership contract. Section 48-02.1-02 allows private operators to construct, improve, rehabilitate, own, lease, manage, and operate fee-based facilities.

Section 48-02.1-03 allows a public authority to "solicit or accept proposals from private operators for the constructing, improving, rehabilitating, operating, managing, and owning of a fee-based facility that will be situated in an area subject to the public authority's jurisdiction. After a hearing, the public authority may accept a proposal that it determines to be in the public interest. A public authority may negotiate and enter into a development agreement with any private operator."

Section 48-02.1-04 provides for the content of development agreements. A development agreement for a fee-based facility may provide for private ownership of the facility without reversion of title; for operating the facility under lease or management contract; and for any form of ownership or operation considered advisable by the public authority. Section 48-02.1-06 limits the term of a lease for public facilities constructed under a public-private partnership to no more than 50 years.

The committee received testimony from representatives of the University of North Dakota regarding public-private partnership projects completed at the university. Testimony indicated the university used public-private partnerships for the construction of a steam plant and student housing facilities on the campus. Representatives of the university expressed support for the public-private partnership process and its potential to reduce the need for significant appropriations by spreading the costs of investment over the lifetime of the asset.

Committee Considerations and Recommendation

The committee recommends a bill draft to eliminate potential conflicts of interest and to ensure project cost efficiency. The bill draft [\[25.0375.04000\]](#):

- Prohibits any architect or engineer contracted for a project from serving on the CMAR selection committee for that project.
- Requires CMAR fees and expenses to be identified on a standard bid form issued by the governing body for the project, with the approval of OMB.
- Requires CMAR fees and expenses to be weighted no less than 20 percent in the evaluation of CMAR submissions.
- Requires the CMAR to bid for general construction work items the CMAR wishes to perform and to award the work to the lowest responsible bidder.
- Requires an architect or engineer to identify fees and expenses on a standard information submission form for the agency selection committee's evaluation.

The committee originally considered a version of this bill that included a weighted selection process for architect and engineering services; however, this language was removed.

STUDY OF THE FEASIBILITY AND DESIRABILITY OF CREATING A STATUTORY BUILDING COMMITTEE

The Government Services Committee, at its October 4, 2023, meeting, approved a motion to request authority from the Legislative Management Chairman to expand its study of construction and infrastructure procurement to include a review of potential changes to OMB and legislative oversight of construction projects. The Legislative Management assigned the committee a study of the feasibility and desirability of creating a statutory committee to assist in the design and oversight of the remodel or construction of state-owned buildings.

Capitol Grounds and Facilities

The Capitol was completed in 1934 and includes the 294-foot-long legislative wing. In 1981, construction on the judicial wing of the Capitol was completed. The judicial wing is 300 feet long and contains 168,400 square feet. The Capitol grounds include 132 acres. The Facility Management Division of OMB is responsible for the overall daily operations and preservation of the State Capitol complex and surrounding grounds. In addition, the division is

responsible for providing space management services for most state agencies. All new construction, historical preservation and restoration, and extraordinary repairs are to be prioritized and forecasted for a 10-year period.

Except as otherwise provided by law, the Director of OMB has charge and control of the executive mansion, the Capitol, and the park and public grounds connected to these buildings. The Director may adopt rules to promote the health, safety, and general welfare, to prohibit disturbances and disorderly assemblies, to keep the peace, and to regulate nuisances on the Capitol grounds and in any of the buildings located on the Capitol grounds. The rules may include regulation of public assemblies and accessibility to the buildings and grounds, obstructions, fees, insurance, forms, indemnification by users, and waiver of insurance and indemnity requirements by the Director.

Capitol Grounds Planning Commission

Section 48-10-01 establishes the Capitol Grounds Planning Commission, which consists of the Lieutenant Governor as the Chairman and eight members selected biennially as follows:

- The Governor must appoint two citizens, one licensed architect, and one representative from the State Historical Society;
- The President of the Senate must appoint two Senators; and
- The Speaker of the House of Representatives must appoint two Representatives.

Section 48-10-03 requires the Capitol Grounds Planning Commission to develop and modify long-term plans for the development of the Capitol grounds and requires the commission to approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the Capitol grounds. No construction or placement of an item on the Capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the Legislative Assembly. If the Legislative Assembly authorizes the construction or placement of an item on the Capitol grounds, the commission must approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The Capitol Grounds Planning Commission is required to advise the Director of OMB and the Legislative Council on matters relating to the physical and aesthetic features of the interior of all buildings on the Capitol grounds. The commission must be called in and must meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the Capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the Capitol and other buildings on the Capitol grounds.

The committee was informed the Capitol Grounds Planning Commission does not oversee state construction away from the Capitol grounds. The committee received information from representatives of the Department of Corrections and Rehabilitation and the Department of Health and Human Services regarding the steering committees established to oversee the construction of the Heart River Correctional Center and the State Health Laboratory. The committee was informed both steering committees include members of the Legislative Assembly and the State Health Laboratory project also has received oversight from the commission due to the selection of a site on the Capitol grounds for the project.

Committee Considerations and Recommendation

Committee members expressed support for new staff at OMB to supervise building projects. Committee members had concerns regarding the lack of legislative oversight of building projects, especially during the planning stages. Committee members also expressed concern regarding consistency and efficiency in the design and construction of state buildings. In consideration of establishing a new committee to oversee the projects, certain committee members expressed concern regarding the number of boards and committees in the state and the potential for legislative micromanagement.

The committee recommends a bill draft [\[25.0376.03000\]](#) to:

- Clarify the authority of the Capitol Grounds Planning Commission over interior areas of facilities on the Capitol grounds. The bill draft provides the commission the authority to approve or disapprove the physical and aesthetic features of the public interior areas of any building on the Capitol grounds and directs the commission to advise OMB and the Legislative Council on the nonpublic interior areas.
- Establish a statutory facility construction committee to study and review construction projects impacting facilities, including owned and leased facilities, from which the state operates, excluding facilities operated by entities under the control of the State Board of Higher Education. The bill draft did not originally require minority party representation on the committee; however, the draft was revised to include a minimum of one minority party member from each chamber.

STUDY OF HOMELESSNESS AND BARRIERS TO HOUSING

House Concurrent Resolution No. 3030 (2023) provides for a Legislative Management study regarding homelessness and barriers to housing, including:

- The effectiveness of the Rent Help program;
- The provision of housing financial support;
- Legal assistance programs available to tenants;
- State, local, or federal educational programs for tenants and landlords regarding rights and responsibilities;
- Month-to-month eviction rates by human service zone area;
- Definitions of homelessness or homeless rates used by government entities;
- Barriers to accessing housing;
- The manner in which homeless children receive services;
- Historical rates of homelessness; and
- How a community-based approach to homelessness may reduce rates of homelessness.

Housing Incentive Fund

Senate Bill No. 2210 (2011), created Section 54-17-40, establishing the housing incentive fund as a special revolving fund at the Bank of North Dakota. The Housing Finance Agency may direct disbursements from the fund pursuant to a continuing appropriation from the fund. The Housing Finance Agency is to create an annual allocation plan for the distribution of the fund, which must give priority to provide housing for individuals and families of low or moderate income. For purposes of this priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below fair market rents as determined by the federal Department of Housing and Urban Development. At least 10 percent of the money in the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage. Assistance from the fund may be used for:

- New construction, rehabilitation, preservation, or acquisition of a multifamily housing project;
- New construction, rehabilitation, preservation, or acquisition of a single-family housing project in a developing community or a community land trust project;
- Gap assistance, matching funds, and accessibility improvements;
- Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
- Rental assistance, emergency assistance, barrier mitigation, or services designated to prevent or end homelessness.

The 2023 Legislative Assembly provided for a transfer of \$13.75 million from the general fund to the housing incentive fund for the 2023-25 biennium, an increase of \$4.25 million from the \$9.5 million transferred from the general fund to the housing incentive fund during the 2021-23 biennium.

Emergency Solutions Grant

The committee was informed the Emergency Solutions Grant is a federal program administered by the state Housing Finance Agency designed to provide financial assistance to facilities and programs within the state to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. Grant funds are awarded directly to emergency and homeless shelters and agencies throughout the state to provide for activities such as operational expenses and essential services, homelessness prevention, and rapid rehousing. Approximately \$486,494 of federal funding and \$384,000 of state matching funds were available for the grant program for fiscal year 2024. The funding was allocated for street outreach and shelter operation activities, homeless prevention, rapid rehousing activities, and participation in the Homeless Management Information System.

Homeless Grant

The North Dakota Homeless Grant is a state program administered by the Housing Finance Agency designed to provide financial assistance to facilities and programs within North Dakota to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and to provide the services necessary to help those persons quickly

regain stability in permanent housing after experiencing a housing crisis or homelessness. The program primarily follows the Emergency Solutions Grants Program definitions and guidelines. Grant funds are awarded directly to emergency and homeless shelters and agencies throughout the state to provide funds for activities such as operational expenses and essential services, homelessness prevention, and rapid rehousing. State funding totaling \$2.5 million from the general fund was appropriated for the 2023-25 biennium for this grant program.

North Dakota Rent Help

Rent Help housing stabilization is a program administered by the Department of Health and Human Services with a goal of helping households experiencing homelessness find long-term stable housing. The program was established in September 2021 using federal funds. The program can assist with the payment of up to 12 months of past due, current, and future rent and utility payments for households with a verifiable rental arrangement. The Department of Health and Human Services reported it had provided assistance to over 52,000 people living in over 26,000 households in the state through June 2024, including \$110 million of rent assistance and \$11.2 million of utility assistance.

Housing Choice Vouchers

Housing choice vouchers, formerly known as Section 8, help with rent payment in the form of housing assistance payments paid directly to a private landlord. The program assists very low-income families, elderly, and individuals with disabilities to afford housing in the public housing market. The housing choice voucher program is funded by the Department of Housing and Urban Development and administered by local public housing agencies.

Testimony, Committee Considerations, and Recommendation

The committee received testimony and information from representatives of a number of state agencies, the United States Department of Agriculture Rural Development, religious organizations, local housing authorities, law enforcement, and other interested groups regarding homelessness and barriers to housing in the state. Testimony included details regarding federal programs to address homelessness, including rental assistance, housing preservation grants, and home loan guarantees offered by the United States Department of Agriculture Rural Development. The committee was informed of the challenges faced by individuals experiencing homelessness, including Native Americans, children, unaccompanied youth, young adults, individuals on supervised release, and veterans and their lack of access to employment, health care services, and official records. Testimony received by the committee noted other states have used emancipation laws to assist homeless youth in accessing health care services, education, and their official records. The committee was informed of the need for several thousand more affordable housing units across the state. The committee also received information regarding actions taken by the city of Milwaukee, Wisconsin, to address homelessness, including a housing first approach to offer access to permanent housing as quickly as possible for individuals experiencing homelessness, followed by the provision of support services and connections to community-based resources to maintain housing stability and prevent a return to homelessness.

The Department of Labor and Human Rights reported it had opened 338 housing discrimination cases between 2013 and 2023, resulting in 159 settlements totaling \$133,797. The American Civil Liberties Union of North Dakota reported a tenant with legal representation is much less likely to receive an eviction judgment and the collateral consequences of an eviction record. The committee was informed the American Civil Liberties Union of South Carolina reported that for every \$1 invested by the state in legal counsel for tenants facing eviction, the state saved \$3 in social safety net program costs.

Committee members expressed support for increasing state funding to address homelessness after receiving testimony suggesting \$10 million was needed for the homeless grant program to support homeless shelters during the 2025-27 biennium. Committee members also expressed support for allocating additional funding for affordable housing after receiving testimony suggesting \$200 million was needed in the housing incentive fund to allow for planning, development, and capacity building over the next 4 years. Committee members suggested K-12 schools could be tasked with better identifying children experiencing homelessness and connecting them to services. Committee members also suggested the study of homelessness be continued during the next interim, with input from a consultant to be retained by the Housing Finance Agency, to thoroughly review the data and funding available to address homelessness, including an analysis of the use of available funds to identify gaps and potential solutions.

The committee considered but did not recommend a bill draft relating to establishing a legal process for the emancipation of a minor in the state. Committee members expressed concern regarding the emancipation process and whether emancipation would help the minor. Other members suggested it was necessary to help homeless youth access services and official records, including birth certificates.

The committee recommends a bill draft [\[25.0377.03000\]](#) to:

- Appropriate \$10 million of ongoing funding from the general fund to the Housing Finance Agency for the North Dakota Homeless Grant program to provide a total of \$12.5 million for the program for the 2025-27 biennium to support homeless shelters and other programs.
- Appropriate \$50,000 of one-time funding from the general fund to the Housing Finance Agency to contract with a consultant to assist with a 2025-26 interim committee study of homelessness in the state.
- Appropriate \$1 million of ongoing funding from the general fund to the Department of Public Instruction to provide grants for homelessness liaison services to the 10 school districts with the greatest student enrollment to better connect homeless youth with services.
- Transfer \$200 million from the general fund to the housing incentive fund to be used over the 2025-27 and 2027-29 bienniums to increase affordable housing in the state.
- Provide for a Legislative Management study of homelessness in the state during the 2025-26 interim.

The committee originally considered a version of this bill that included \$300,000 for legal representation for individuals facing eviction; however, this funding was removed. Committee members expressed concern regarding the provision of state funding for an individual in a civil proceeding against another individual.

STUDY OF ACCESSIBLE TRANSPORTATION

Senate Concurrent Resolution No. 4004 (2023) directed a Legislative Management study regarding accessible transportation for older adults and individuals with disabilities. As part of the study, the committee was to consider:

- Statewide challenges to system services and barriers to expanding the state's accessible transportation infrastructure;
- The fiscal impact of providing accessible transportation;
- Effective long-term modification of funding formulas to support accessible transportation; and
- Modifications to anticipate the responsibilities of public entities under the federal Americans with Disabilities Act.

Public Transportation

Chapter 39-04.2 defines public transportation as the vehicular transportation of persons from place to place within the state, but does not include the provision of transportation facilities otherwise provided by public funds, such as roads, streets, highways, bridges, lighting equipment, or signs. Chapter 39-04.2 also establishes a public transportation fund to be administered by the Department of Transportation (DOT), from which DOT has continuing appropriation authority. Pursuant to Section 54-27-19, the fund receives 1.5 percent of revenue deposited in the highway tax distribution fund, which receives revenue from motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. Pursuant to Section 54-27-19.3, the fund also receives 1.5 percent of revenue deposited in the legacy earnings highway distribution fund. Money in the fund must be disbursed under guidelines issued by DOT and the funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation, and for other expenditures authorized by the DOT Director. The Legislative Assembly estimated the public transportation fund would receive \$9 million of revenue during the 2023-25 biennium, including \$7.5 million from the highway tax distribution fund and \$1.5 million from the legacy earnings highway distribution fund.

Transit Grants

The DOT administers federal transit grant funds to rural, nonurbanized areas with populations less than 50,000 and state-aid funding for the entire state and ensures that transit projects meet federal and state regulations and requirements. State aid for public transit funding is determined biennially by the Legislative Assembly and distributed by a formula in Section 39-04.2-04. This program makes available about \$8 million each year to the urban and rural transit providers in the state. Portions of this grant may be used for operating expenses and capital improvements such as the purchase of new transit buses. Transit agencies are required to apply for these funds on an annual basis.

The committee received testimony from representatives of DOT indicating there are 31 transit providers operating in the state, providing services in all 53 counties. The committee was informed transit ridership decreased from 2.5 million rides to 2 million rides from 2019 to 2023.

Small Urban and Rural Center on Mobility

The Small Urban and Rural Center on Mobility is part of the Upper Great Plains Transportation Institute. The president and administration of North Dakota State University are responsible for the administration of the Upper Great Plains Transportation Institute. The Small Urban and Rural Center on Mobility exists to increase the mobility of small urban and

rural residents through innovative research, education, and outreach. The Upper Great Plains Transportation Institute provides transportation research, education, and outreach to the state of North Dakota as well as regionally, nationally, and internationally.

The committee received testimony from representatives of the Upper Great Plains Transportation Institute indicating survey results identified 24 percent of rural transit riders are at least 80 years old and nearly 50 percent have a disability. The committee was informed transit services in most regions of the state are not available 7 days per week and certain areas of the state have no transit services available. The testimony indicated select transit agencies in other states have implemented microtransit services to provide an accessible, on-demand mode of transportation that uses a smartphone application or phone number to request and schedule a ride within designated service areas.

Other Testimony and Committee Considerations

The committee received testimony from representatives of Community Options, the Arc of North Dakota, Designer Genes of ND, Inc., regarding public transportation. Testimony indicated support for extended transit hours, streamlined scheduling of transit services, increased funding for paratransit and door-to-door transportation, and a review of transit funding to ensure sustainability. Individuals suggested a smartphone application could assist in streamlining scheduling.

Committee members expressed concern the addition of a smartphone application to schedule rides may lead to competition with private providers of transportation services. Committee members also questioned the efficiency of the use of large buses, that may have excess capacity, by transit providers.

The committee makes no recommendation regarding its study of accessible transportation.

REPORT ON FEDERAL FUNDS

Section 54-27-27.1 requires each executive branch state agency, excluding entities under the control of the State Board of Higher Education, receiving federal funds, to report to OMB a plan to operate the state agency if federal funds are reduced by 5 percent or more of the total federal funds the state agency receives. The report must include information on whether the agency will request state funds to offset the decrease in federal funds. The report is not required to address a reduction in federal funds received by the agency which is a result of:

1. A decrease in caseloads or cost per case;
2. A change in the anticipated project completion date for a construction project qualifying for federal fund reimbursement; or
3. The completion of a one-time project funded in whole or in part by federal funds.

The Office of Management and Budget is required to report to the Legislative Management by October 15 of each even-numbered year on the reports received from state agencies under this section. The report must include a summary of the reports received from state agencies on how each agency will operate with the reduction in federal funds.

The committee received a report from OMB in September 2024 regarding state agency plans to operate if federal funds are reduced by 5 percent or more of the total federal funds the agency receives. Of the 32 executive branch agencies receiving federal funds during the 2023-25 biennium, 6 agencies expect a decrease in federal funds of 5 percent or more in the 2025-27 biennium. The committee was informed the Secretary of State and Department of Corrections and Rehabilitation may seek additional state funding if the federal funding level is not maintained.

AGREEMENTS BETWEEN NORTH DAKOTA AND SOUTH DAKOTA

Section 54-40-01 provides an agency, department, or institution may enter an agreement with South Dakota to form a bistate authority to jointly exercise any function the entity is authorized to perform by law. Any proposed agreement must be submitted to the Legislative Assembly or, if the Legislative Assembly is not in session, to the Legislative Management or a committee designated by the Legislative Management for approval or rejection. The agreement may not become effective until approved by the Legislative Assembly or the Legislative Management. The Government Services Committee was assigned this responsibility for the 2023-24 interim.

The committee received information regarding the history of the bistate authority legislation. The South Dakota Legislature in 1996 enacted a law creating a legislative commission to meet with a similar commission from North Dakota to study ways North Dakota and South Dakota could collaborate to provide government services more efficiently. The North Dakota Legislative Council (Legislative Management) appointed a commission to meet with the South Dakota commission. As a result of the joint commission, the Legislative Assembly enacted legislation relating to higher education and the formation of a cooperative agreement with South Dakota. The South Dakota commission proposed several initiatives, but the South Dakota Legislature did not approve any of the related bills. Since then, including during the

2023-24 interim, no proposed agreements have been submitted for approval to form a bistate authority with the state of South Dakota.

VETERANS' HOME STRATEGIC PLAN IMPLEMENTATION

Section 6 of House Bill No. 1007 provides for the Veterans' Home to report to the Legislative Management by January 1, 2024, regarding the status of implementing recommendations included in the Veterans' Home strategic plan as provided for in Section 1 of Chapter 7 of the 2019 Session Laws.

The committee received testimony from representatives of the Veterans' Home on December 19, 2023, indicating the strategic plan was not yet complete.