

2009 SENATE APPROPRIATIONS

SB 2075

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2075

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-21-2009

Recorder Job Number: 7391

Committee Clerk Signature

Alice Ditzler

Minutes:

V. Chair Bowman called the committee hearing to order at 9:00 am in reference to SB 2075 in regards to North Dakota State Veterans' Home improvements associated with the new veterans' home. Roll call was taken. All committee members were present except Chairman Holmberg, V. Chair Grindberg, Senator Warner and Senator Krauter who were excused as they were attending the inauguration in Washington D.C.

Mark Johnson, Administrator of the North Dakota Veterans' Home testified in favor of SB 2075 and provided written testimony # 1. This bill includes several funding requests some of which are irrigation system, landscaping, moving garage, moving gazebo, a maintenance shop and for repairs to our existing roads.

Senator Kilzer Does this dollar amount include all the things you talked about. Is there matching federal funds for that. He was informed there was not.

Senator Fischer: Asked about a correction on dollar amount in his testimony regarding the road work. Mr. Johnson corrected his statement concerning that amount. .

V. Chair Bowman: when do you anticipate the new building to be built and do the landscaping and where did you get your estimate for the landscaping and will that go out on bids?

Mark Johnson: we'll begin construction as soon as snow is removed, at looking at the fall or spring of 2009-2010.

V. Chair Bowman: Where did you get your estimate for landscaping? Will that go out on bids?

Mark Johnson: It is 35 acres not 10 acres. A guy from Fargo gave the estimate.

Senator Fischer: Do you have access to the Cheyenne River to do that? The permit only allows so many feet a year so you might need to check into that.

Mark Johnson: we have a permit. It is something we've done and we will check into that.

b: What was the reason this part of project not part of main bill and asked if there are other bills out there? And doesn't that go under the amount the feds are offering?

Mark Johnson: it was just a breakout of the building. The feds won't pay for any part of this and we ran it through the governor's office and they agreed we needed to go with new bill.

(10.12) HB 1257 or 67 has to do with geo-thermal heat. We had to have a dollar amount the architect thought the amount would come in at and the base of building came in higher than we anticipated. A new method doing surcharge on the foundation that has been built, we went with that and it costs more.

Senator Christmann: Do you need to have another maintenance man doing more acres and is this in the governor's budget?

Lori Laschkewitsch , OMB stated it is in addition to the governor's budget.

Mark Johnson: We have 2 to 3 people doing lawns, we feel we can manage that we have enough as we won't be dealing with the breakdowns in the new building.

Senator Fischer: Do you have a foundation to raise money? I remember getting a letter.

Foundation funding is very successful. There may be help from outside sources. If you raise

money for the veterans' home from the private sector most people will respond and some of these items may be able to be funded in this manner.

Mark Johnson: We do have a foundation it is basically for getting the residents better medical things. We're not tied real close to that. There has been discussion to get it started.

(15.10) The veterans' home is a unique building and we get a lot of support from different agencies, the American Legion and VFW and others. I know the VFW in Fargo is doing something special in the courtyard. We do have entities such as them that are raising money. With all the different entities it is great to work with them.

V. Chair Bowman: What type of estimate do you have on the geo- thermal heating because they are fairly expensive and is this dollar amount is after the new design, it's not the old designed building.

Mark Johnson: The reason for the high amount is there is so much make up air that has to be made up in a nursing home and so they actually started with like 436 wells and now it is 762 wells and so it's a piece that we're going to bring in front of you. We've got the building bid with the heating system that we currently have but we have some people that will be coming in and talking about this. One issues we have there is a loan program through the state in order to qualify for it , it has to be a 15 year pay back. Because of the size of this it is actually a payback for 21 years. Just the material that is in the ground has a warranty of fifty years. That bid we have is for the new design.

Senator Krebsbach: In changing to geo- thermal from the other system is there a savings on the other system that was initially bid?

Mark Johnson: I can't tell you what that would be. We will be having our bid opening on Tuesday of next week so we can get that information to you after that.

V. Chair Bowman: would you get that information to the subcommittee when we meet? He was told yes. That will be real important for the subcommittee.

Mark Johnson: I can give you all the information next week. We are actually saving a great deal of money including the foundation and it is because of the timing. It's a plus for us. Lori has that information. The winter work we are not doing that, we don't have to use all the extra stuff you need, it is a substantial savings. We anticipate that the bids will come in lower.

(21.57) We have 15 contractors and we had a pre-bid meeting and had 12 to 15 mechanical and 10 to 12 electricians which is more interest than we've ever had. We anticipate better numbers.

V. Chair Bowman: I hope you have a better bid. V. Chair Bowman closed the hearing and then reopened it.

DuWayne Ternes: The new building that we need is a pre-engineered building. (22.31) we took this out of the main part of the construction because this is a general contractor that is getting us steel studs and so on. I am trying to represent the state. The storage building we approved to move the garage a long time, but it just didn't seem the right time. Why not wait for the footing foundations in place and you can stand out on the site and see where to put rather than move it twice. We addressed the gazebo. I am used to building things, not talking about it and I want to build this. That is why we thought of these things. The irrigation system won't be completed. Some of this can't be done until you complete the entire site. You can't close out the job we took out the seeding of grass to get the job done so we could save money and get the job done. We talked about raising some money. We're missing some nice things outside this building so if we could raise some funds. I'll be in contact with the Leach Foundation and so on. The flag poles and flag, all these things should look great when you drive up to the home. We will be looking for those funds.

V. Chair Bowman: who made the decision after you brought in the initial cost of the building a few years ago and now the new design and then decided to add geo-thermal after the fact rather than incorporate that in your original bid?

DuWayne Ternes: Norris, the chairman here has fought this over and over and he insisted that this was in the base bid and for some reason the architect took it upon himself to not include it. We also found out that their engineers were not very understanding about this geo-thermal system. Norris and I seem to be. My own buildings have it. We wanted it to be in the base bid right away. It got turned into an alternate. We are trying to fit it into the budget. We do expect the bid to come down quite a bit. It is a very unique system.

V. Chair Bowman: I understand the geo- thermal system. All that should be designed in the original building. It is frustrating. I put my heart and soul in this three years ago and I thought we were done and now I find we are just beginning.

Norris Braaten, Chairman on the Governor's Board for the ND State Veterans' Home: Immediately we would save money on operation costs. We will have more information later on.

Senator Mathern: Will the price tag of geo- thermal be done at the same time as the other things. Would you mind if we put this into the bill at some point to move this faster? He was told that would be great if it could be in this bill.

Norris Braaten: we would like that because it does costs money to come and we don't like to take up your time.

V. Chair Bowman: How much efficiency is there in heating in the new system compared to the old system? Was that considered when this thing was put together?

Norris Braaten: There is some difference on cost but it is based on the amount of square feet you have to heat. Yes we will be adding square footage by going into that neighborhood concept.

Mark Johnson: From the first design we submitted to VA we added only about 9,000 square feet.

Duwayne Ternes: About the new concept did you take into consideration instead of having 2 large mechanical rooms, there is now four that is where the efficiency of heating source comes in. Each one of these wings would have a row of thirty wells. In case a unit goes down, you'll still have heat. It will be more efficient. (34.50)

V. Chair Bowman closed the hearing on SB 2075.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. Subcommittee on Vet's Home

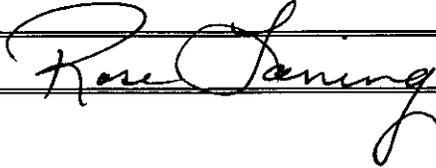
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-29-09

Recorder Job Number: 8176

Committee Clerk Signature



Minutes:

Senator Kilzer called the subcommittee hearing to order at 3:45 pm on the Veteran's home.

Subcommittee members **Senator Kilzer, V. Chair Bowman** and **Senator Mathern** were present. Also in attendance were **Mark Johnson**, Administrator of the Veteran's Home in Lisbon; **Kristin Lunneborg**, Account Manager; **Rudy Jenson**, Chairman, Administrative Committee on Veteran's Affairs; **DuWayne Ternes, Sheila Sandness**, Legislative Council; **Lori Laschkewitsch**, Office of Management and Budget.

The committee discussed geo-thermal heating for the vet's home which is a separate bill and has a price tag of about \$3.2 M. The bids this past week showed about \$3 Million. The Geo-thermal system is renewable and has a payback in 20 years. Ottertail Power has a renewable grant going into effect in 2010 and they will be paying back part of system. The well system had to be expanded because of building regulations.

Senator Mathern asked if the electrical costs are based on the prices for electricity with Ottertail at this time.

V. Chair Bowman asked if another heating system was included in the bid because geo-thermal was in a bill by itself. If the geo-thermal bill fails, you'll still have to turn on the heat in the winter.

He was informed that SB 2025 funds the conventional heating system. The bill for the geo-thermal would meet the additional cost to convert the conventional system to geo-thermal.

V. Chair Bowman asked what type of heat was in the original bid and it was electric.

There will be 142 private rooms and 4 double rooms along with all the offices and PT area, and pharmacy. They discussed the regulations of the Pharmacy Board about the size of the pharmacy. The home will be 159,000 square feet.

Senator Mathern requested and discussion followed on the bids for the building as well as landscaping and geo-thermal bids. That information was provided and with all bills combined, the total bill would be \$14,746,443.

They discussed the confusion of maneuvering the three bills through committees and floor sessions and maybe there would be a possibility of moving all three bills together.

Senator Mathern asked the Legislative Council to draft an amendment to the building bill that includes the geo-thermal and landscaping costs so that everything would be in SB 2025.

V. Chair Bowman was concerned that the House might not fund it. Then this committee would have amended a bill that hasn't been passed by them that they have already heard.

More discussion followed that included the bids on the building and landscaping as well as the deadlines that need to be met.

Senator Mathern moved to integrate three bills, SB 2025, HB 1267, and SB2075 using the revised figures provided by the Office of Management and Budget on 01-29-09 based upon the bid letting of 01-27-09. **Senator Bowman** seconded the motion.

Roll call vote was taken.

Senator Kilzer, Senator Mathern, and Senator Bowman voted in favor of the bill. Motion carried.

Senator Kilzer closed the hearing.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2075

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02/10/2009

Recorder Job Number: 9143

Committee Clerk Signature

Alice Dilger Subcommittee

Minutes:

Senator Kilzer Opened the discussion on SB 2075. Asked Mark Johnson for a handout

Mark Johnson Retrieved the handout.

Senator Kilzer Is there anything in 2075 that you would like changed?

Johnson The thing I'd like to update you on is after, with more research, was that I was using my best estimate at ten acres. When the engineers looked at it, our current plant has 7.8 acres of grass. The new ground is 6.4 acres for the ground around the new building and the existing ground is like 7.2—14 acres of grass.

Senator Mathern The number of acres is not in the bill.

Johnson This is just for clarification.

Senator Mathern One of the senator's brought up the idea of zero landscaping—just use natural grass.

Johnson I can see that being planted off of the main road area. The pride of the veteran's home is the grounds; they are very well maintained, beautiful grounds. I wouldn't have a problem not using sprinkler system on other areas of the ground. It is really for that primary area around the building where I would certainly want to see a sprinkler system. The issue we are dealing with is the cost of the sprinkler system. We don't have a pressure system, the motor and everything else, the whole new pump system is where the cost is.

The committee switched back to their discussion on 2007 mid hearing.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2007, 2133, 2075

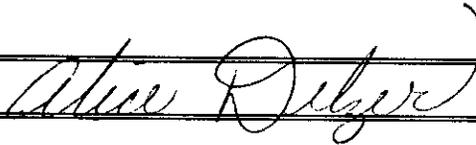
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-11-09

Recorder Job Number: 9291

Committee Clerk Signature



Minutes:

Senator Kilzer Opened the subcommittee hearing on SB 2007. Senator Bowman and Senator Mathern were present.

Start with operational budget of 2007.

Senator Mathern See attachment # 1. The sheet is intended to help clarify the requests of the bill. One of the difficulties in this budget in 2007 is that there was a line item for the department of veteran's affairs. There is an assumption about 2007 that it only deals with the veteran's home but this is also about the expenses we provide to that place and the counties; that is a line item in this budget. This handout is at the request of the North Dakota Department of Veteran's Affairs (DVA) to provide \$100,000 for operating expenses related to the outreach in the communities and to purchase computers. This 50,000 would not be enough for everyone but it would be enough for 30 computers. If we had 56 computers, we would need 92,000. I think we have a new administrator there who understands the needs of the veterans and the county service officers; essentially this proposal is what I moved on the other night and didn't have a second.

Senator Kilzer I am looking at the green sheet you are talking about the DVA right?

Senator Mathern That is correct.

Senator Kilzer The other is from the veterans home from 2007. I am looking at executive budget and we can see that the DVA has 7 FTE's , they had 6 the previous biennium and prior to that, 5 I don't see anything in the executive budget about adding computers, I can see \$50,000 in training,

Senator Mathern These items are not there, the increase in staff relates to a few things. One is that we have more and more female veterans, last session we added a position to give special attention to female veterans.

Senator Kilzer I don't see any reason to make any changes in the governor's budget for the moment.

Senator Mathern I think we have additional work with people coming back from Iraq. The level of service is dramatically different from county to county, it is not the veteran's fault if they live in a county where the officer isn't well trained, I would move this as an amendment to 2007.

V. Chair Bowman One of the things I found out is you can train someone to death, if they don't have the desire and the will to go out and do the job, it won't make a difference. Training come from when someone is in the field and finds they don't understand something so they come back and make a call. I would listen to what they have to say, you find the movers and the shakers. I have never been impressed with someone who never asks how I can be better at what I do. I can train you to be an auctioneer but if you don't have it in your heart, than it is no different. The ones that really care, you can't pay them enough. There is people can always do the job. Maybe they had an injury so they do this job while some people take the job just because they need the job, do you think they will be better because of the training?

Senator Mathern I think training is beneficial. People benefit from training and education, we need to provide education so all vets in all counties get the best service.

Senator Kilzer I am looking at the executive budget and for the first time the DVA has an appropriation from the general fund for over a million \$. I think last biennium it was \$800,000. I think that the increase that is necessary for training CVSOs, there should be some room in that budget to get those service officers who are not performing to do so, without going over the executive budget. I think with 7 people they can find the people they need and get the training done. That is a substantial amount of money to work with. Let's move on to the home part. The main thing there was a dispute, the FTE's that Kristin and Mark feel they need to be up and running and also about the three that you already have.

Kristin The 3 FTEs that were part of the emergency commission are FTEs already in place, they are med techs, because we were cited by the VA for unsafe medication practices. We have had several medical errors. The VA came in and did a survey and we were cited and we had to hire these FTEs because of the VA. The remaining FTEs are for the new building. We will gain approx 30 new residents in the new facility. These staff are to put us in compliance with the VA.

Senator Kilzer Do you anticipate you will fill it up right away when you move in?

Kristen We can't admit 30 people at once, a lot of paper work done, a number of things, we figured a certain amount of residents to get the building full. Without those FTEs we will have to keep at least 14 skilled beds empty. That is one pod in the house we will not be able to fill if we do not have those FTEs. Those 14 skilled bills will generate about 605,000 so technically it is 590,000 in general funds but they will generate special fund revenue.

Senator Kilzer How many skilled beds?

Kristen We will have 52 skilled beds in the new facility.

Senator Bowman When do you actually need them? You will need more FTE's once you are up and running. Are you going to need them until the building is built? You are tying up a lot of

money until the building is built unless you have another plan for the money. We approved the extra beds, we even got you open beds and we are pretty proud of that Now we need the cooperation and understanding when this building will be in operation, so that once you start adding vets to those rooms which is when you have to increase the FTE's. When is that number going to be? This goes into effect June 30th, if we leave these 3 in there right now, we wouldn't put you out of compliance, do you have to have any more of them until you move into the new facility?

Kristin These staff, most of whom are only on board for 9 months, Med Techs require over 8 weeks of training just to get them to be able to become certified. There is a fair amount of training that needs to go into this, we will be admitting those thirty extra residents over time but the facility slated to open Oct 1. The FTEs are not in for the entire Biennium, there are just there for 9 months.

Senator Bowman Is the money in the budget for a 9 month period?

Kristin Yes.

Senator Bowman Then after the 9 months do you cash flow with the income you will take in on those 30 beds or will you come back and ask for more money?

Kristen Just those extra 14 skilled beds will raise the amount. The next biennium when all of those beds are full, we will generate a whole lot more money. They will not be funded with general fund money, they will be funded with special funds, this is a onetime need for general fund dollars to that we can fill the beds and generate the income for the next biennium.

Unintelligible

The other piece to this is depending on how it works, any money not used will be turned back to the state of ND, we have to comply with the federal governor we also need dollars because we won't have the money in our budget.

Senator Mathern I have one additional concern. That is that we give the right message to the federal government to properly fund this new facility. The best thing is to pass the bill with these FTE's in and then the feds know—in audible.

Senator Bowman I don't think anyone disagrees with that statement, but my job is to ensure that we do it right the first time that is why I am asking these questions. Spoke about the need to ask questions. If you need the people to take care of these, how long will it take to hire them? (25.7 plus the 3 on duty now,) you need them 9 months before the place opens?

Kristen The only ones hired are the med techs which take 8 weeks of training. Most of them brought on a few weeks to a month in advance to be trained.

Senator Bowman What I am looking at is that you don't hire someone 3 months before you need them and pay them a full salary. I think we have to try to figure out a formula to take care of that need around the first of August of 2010 that gives you about 60 days. Is that enough time to hire the critically needed ones, train them and then you pick up more as the beds fill up?

Mark Johnson We have 14 residents on the skilled waiting list; we are ready to admit because we do have a waiting list. We have another on the skilled side, we have a number of residents on our list, they have only put their application in for the new building.

Senator Kilzer Your skilled side could be filled if you open tomorrow?

Johnson That is true. We have 14 residents capable of being moved into the skilled center. When we have CNAs, it is 80 hours of training as well. Sometimes you have the ability to hire right off the street which is great.

Senator Mathern Let's take this list, keep it exactly the way it is in terms of the staff that is needed put an amendment that certain staff could not be hired before July 1 of 2010. If we are concerned about hiring staff before they are needed, they have already expressed their

concern about this but if you believe that they won't hire, identify these positions. These will not be filled before this date. I think the bill identifies these issues. Would that work for the veteran's home?

Senator Bowman That is why I am asking these questions. We are trying to put together some kind of a plan we can work with, not out of compliance, hire those med techs, that is what I am looking for. To take the money stream and the employment stream so they kind of parallel each other, my intentions for those 3 staff will stay there, that will not put you out of compliance, and there will be quite a period of time. We will try to figure out a formula that will trigger the money for the FTEs as soon as they are needed. Can you work with that if we do that?

Johnson We have gone through this and this is what we propose to you. I don't have a problem with how you want to massage it but we have massaged it. We are not looking to bring these people on before we need them. Every session, Kristin has turned back money. You guys are looking at what we would like you to see and what we would like to do.

Lori Maybe this will help with some of the questions that you have. We can show that in their budget all these new positions are only funded at half or less than the actual salary, for example there is a cook funded at 16,000 and our existing cook is in the budget for 39,000. Gave another example—the people who are actually filling those position are funded at a graduated amount based on when we think they might be hired.

Senator Kilzer Have you drafted amendments regarding these FTEs?

Sheila I did two. You should have a copy of two drafts in regards to FTE's

Senator Kilzer Do you want them changed in any way?

Discussion about the location of the amendments

Senator Kilzer Have you seen them?

Senator Mathern I have seen them.

Senator Bowman Leave the three in there you have to have. Trigger the dollars for all the rest of them by June 1st of 2010. That gives you July, Aug and Sept, and money in your account; does that give you enough time to adjust for your hiring and training?

Johnson That would be great, that would work well. That will give us an extra month to do training.

Senator Bowman If there is a change in that you can make your adjustments as you need. That just saves everybody some money.

Johnson That is what we were looking at, as a gradual set up, that piece will work real well.

Senator Kilzer Would you like amendments drawn up to that effect?

Lori The general fund \$ don't actually transfer to an account for the veteran's home. They stay in the general fund until you need it.

Senator Bowman But you have the 3 FTEs that need to be funded now.

Lori They would have the authority to draw on the general fund but if they drew on the fund too early, they would run out of money. You could ask for a legislative intent section.

Senator Bowman Because it seems to me that because this is a new venture, there are few unanswered questions it would be helpful to have legislative intent to keep the three FTEs and hiring will starting on June 1st of 2010.

Shiela This subcommittee has adopted an amendment that the 25 FTEs will not be hired immediately, should we provide some other kind of cushion?

Senator Bowman You have to remember when constructing anything you normally have changeovers about half way through which delay everything. Are there penalties for the contractor if they don't reach target date?

Mark At this time there is no penalty clause.

Senator Bowman We have that with road construction.

Senator Mathern I think I heard a consensus on the June 1st date, Sheila could put in intent language.

Senator Bowman Talked about hiring people and that process.

Sheila My suggestion would be something similar to that but rather than putting in an actual date, to allow some flexibility, put something in something such as 3 months prior to the scheduled opening date of the facility.

Senator Mathern I would disagree because they cannot determine the opening date, they have to know exactly when that 3 months start and they won't know that. However, if we really believe they could open early we could say they are authorized June 1 or sooner.

Senator Bowman I am trying to avoid some of the things that have happened over the years.

This allows it to be a lot clearer. It is in black and white we know your opening date is suppose to be Oct 1st, we are giving an extra month of flexibility. I think this is a pretty fair way to do this.

This way you can start the hiring process so that you know where you are at when the key turns the door. We don't want to hire too early, spoke about hiring

Senator Mathern I don't think the budget permits them to hire them as early as December but if this is helpful to you, we should do it. We can put in intent language that they don't hire before June 1st.

Sheila One question, the amendment will just be language with regard to legislative intent?

Senator Kilzer Yes

Senator Mathern We have 4 amendments to this bill. 101 was in the governor's budget, it was funded with general funds and Kristin had used all her special funds.

Discussion about the amendments

Senator Bowman Is it general fund money that will pay for the insurance?

Lori The funds for insurance are in the governor's budget. Due to the way that OMB calculates the increase, it funded by the fund money. Explained the insurance

Discussion about special funds

Sheila You would be seeing an increase the total budget doesn't change, it just changes the funding source.

Senator Mathern The moratorium; there was some confusion about whether they could use an extra bed, one nursing home bed was under question which is the next amendment, .0103. The third amendment is a correction of one time funding the number is. 0104 that is approved. Discussion about the number on the new legislative intent amendment, that will be assigned by the system

Senator Kilzer We can take up the telephone bill. That leaves me kind of perplexed. Mike Ressler said they were neutral, now they are opposed.

Mark It will go to the legislature and they will have to make that decision. It is a bartering system. Maybe we can do two systems, one for the residents, one for the staff; it has to be one or the other. I guess if we are going to be ITD it will be that. There is more money. The system we have proposed DRN people BEK Tell they say they are better. I am caught in the middle of it, we don't know how long this system will last, and there are more dollars that we are going to save. ITD will continue to raise their prices.

Senator Bowman Based upon inflation and their costs to buy that system we need general fund money.

Senator Kilzer Is there any language we need to be considering? On line 8 telephone services on Bill 2133—read portion of the bill. Is there a provision of law that forces the veteran home to use ITD?

Discussion about 2133 and whether or not the veteran's home is exempt from ITD

Senator Mathern This bill if passed would say the ND Vet home is exempt from our law, the main portion dealing with that is line 8.

Senator Bowman It will cost all the other agencies more money if people are exempted from ITD.

Senator Kilzer Maybe we should just pass this bill.

Senator Mathern That takes them out of ITD. However, if we do that we need to give them money so they can go buy the other system.

Senator Kilzer There is a fiscal note.

Kristin That would be the decrease in operating expenses if we move them out of ITD and purchase a third party system and operate it for the rest of the year.

Discussion about the fiscal note

Senator Bowman Where would you buy the telephone service? The savings that you have...Did you say the vet pay for their telephone use? Are the candy shack profits going to make payments per month for each telephone bill for each resident?

Mark They pay for their phone, internet and TV but on the skilled side it is human services that has our budget, that whole piece falls into indirect. When it is indirect, it calculates your rate.

Explained the purchase process

Senator Bowman Long distance?

Kristin Everything long distance is handled with calling cards. They have a block on long distance calling.

Senator Mathern Have Mark continue to negotiate, I suggest we pass an amendment, put in the money for a private system and say ITD and the vet home encouraged to negotiate. If they can't agree, the vet home can go their own way. The closer this gets to moving the vet's home

out of ITD, the closer they get to providing the service they need. I don't think it will come to the ultimate service that they need though unless the veteran's home has the cash in hand to buy their own system.

Lori As far as negotiating for the prices, we have fed funding and ITD has to collect that money from the agencies. If they would lower the rate to the vet home, we would lose that funding; they have to charge the same rate for everyone. There isn't the ability to negotiate, we can keep only two months of revenue without violating the fed law.

Senator Bowman What do we lose from ITD if they have to bill all the other entities more money?

Lori They have a finite cost to their system, the cost of salaries, and services, and infrastructure.

Senator Bowman If we are actually saving money by them saving money because at the back end all ITD providers are going to have to pay more money to offset the savings.

Senator Mathern The answer is the total amount of costs that ITD has to serve the vet home is the dollar amount to be spread to other agencies.

Senator Kilzer They do that all the time. They are locked into one system of how they compute their charges. What are we going to do with the bill, put it up without recommendation leaving it with GVA, what they recommended....

Senator Mathern If we pass the bill 2133, we need to put (unintelligible amount—amount on the fiscal note) into 2007.

Senator Bowman Lets pass this bill. Because by the time it gets to the house, maybe someone can tell us the bottom line to the state of ND. If it is going to cost us more money to save money that doesn't make any sense to me. As far as I am concerned right now pass the bill and let it go over to the house and we'll get some information.

Senator Kilzer We'll bring it and recommend do pass.

Senator Mathern Now I suggest we amend 2007 to add 63,238 dollars so they can have the resources to get a private telephone service.

Senator Kilzer Can you draw up that amendment?

Sheila (not sure who) I can do that

Senator Bowman Is ITD your phone service now?

Mark Yes.

Senator Kilzer Are their amendments on the landscaping one? No. 2075 is the bill. (1.12.29)
You gave us a break down once, if I remember?

Mark Johnson In the handouts. It is in there too on the 3rd page.

Senator Bowman What can you do about landscaping until the building is done? They make it so that you can landscape it as soon as building done. What all could you do?

Mark When we look at this, we could do the irrigation, we have to move the 3 stall garage, it is in the front entrance, it will be in the middle of the road, storage, 2 of them they won't make it through, once we get the funding for next year we will build a new storage shed. We took down the other shed that was right in the center of the building. Detailed the costs associated with the projects.

Senator Bowman Do you think you would want to do anything with the sprinkler system until after construction? Explained why he would not recommend putting in irrigation before construction,. I wouldn't consider that till after, same way with the roads, they will tear the road all up, do it afterwards then you have a brand new road. DuWayne Ternes will be able to tell you how to do that.

Mark That is exactly what we were looking at doing. If you look at the 2011 Biennium we were looking at doing the roads sometime in May, we need to do some patching, and the Guard

beat up our road already. We are past the 7 year cycle that is recommended to do the mill and overlay. It would probably be done in mid June.

Senator Bowman What do they do for the overlay?

Mark I don't know, we asked them to fix all the cracks in the road, this is calculated out by the engineers.

Senator Bowman Does your county have the equipment to do this? I would almost bet that is the type of work the county would work with you on. You will get it done a lot cheaper.

Mark It is my understanding back 7 years ago, the county did a chip and seal, and it was very expensive.

Senator Bowman I know what it costs. He explained how much and how it is done. Giving some suggestions to utilize what you have.

Senator Mathern I am concerned getting into detail that they can't respond to. I would hope that we could move ahead with this bill. They are going to have to have some flexibility.

Senator Kilzer Is that the lowest bid on all of this that you opened?

Mark It is the lowest bid. This is not the 60 period. This is a separate bill to do the outside.

Senator Kilzer Are you adding fill that you have to put in?

Mark It is basically trees, shrubs, grass, but grass is very expensive,

Senator Kilzer It is quite a bit of money.

Mark We will have to lay that grass all around the field. We won't be irrigating in the back. We want to get the building done. The planting of grass done in the fall, irrigation system put in after the reason why it costs as much as it does, the existing system we have is probably it is over 26 years old. We do not have a pressure pump, it is a residential system, we can only do one zone at a time. This is going to be a whole new type of design, it will work so much better

than what we have right now. Explained the irrigation system they are proposing versus what they have now

Senator Kilzer When we talked about the operation you did not talk about the project manager, it is in the bill?

Mark It is my understanding that the project manager is already there.

Senator Kilzer Any other questions?

Senator Bowman When I talked to DuWayne Ternes he said to give us the money and we'll get started, if we give you half the money right now to take care of the things that interfere with your building project. After you get that done you can see where you are and if you have any money left over, and if not you come in and ask for more. Could you live with half of it coming in and then wait to see if you need more later?

Senator Kilzer The other side is if you have one bid that you opened that you accepted, it is an all or none deal.

Mark We are under no obligation for this piece at all. These are for items that we need to half in order to complete the process. Part of the reason we are doing it this way we don't want the architect to get 8%. We have tried to manage this part of the project, will be able to manage this.

Senator Kilzer If someone is willing to do the landscaping at cheaper rate, does that put the rest of it everything else at risk?

Senator Bowman If you had a bid on this, and you accepted the bid, you said you are not under any obligation. Did you have a bid to do the job? You have to have an engineer if you have so many dollars.

Mark We had estimates done for everything.

Senator Bowman Let's say we give you a certain dollar amount, what would you do with it?

Mark The most important thing we need right now is storage and we need to move the 3 stall garage. The gazebo and street lighting could wait. I look at the other piece, the road—mill overlay is important, we need to do some landscaping, irrigation.

Senator Bowman Spoke at length about the difficulty of having heavy equipment on the grounds while doing landscaping—we'll try to give you the money you need to get your jobs done, but if we give you that much money you will still have money left over to do some of the other things. I would take a close look if you want to do that and tear up the new road.

Senator Mathern I just want to remind us all that we have a person in state government who reviews projects so this kind of work is reviewed by a staff person in OMB to give insight and expertise. Mark Johnson is not an engineer he runs a nursing home. That is why the state of ND has other staff to give him insight and expertise. I hope that we would recognize that we already hired somebody to give him advice and that guy should be doing what we are doing now. I am a little bit concerned that we keep this together. If we take part of it, these people will need to come back, and if they come back, it will seem to the House and Senate that they are here trying do something again and are coming back again asking for something and not giving us the whole story. I suspect there are literally more things than this. Flag poles, benches, there are going to be a lot of things that they are going to need to do to make this place somewhere you feel good about.

Senator Bowman Think of what you just said, I am thinking there are a lot of other things that they are going to have to add. We are going to give them the money to do what they want to do and you are still not going to have enough with what you just suggested. They will have to come back.

Senator Matthern I am saying they will have to come back if you only give them the \$500,000.

Senator Bowman That is what I want. To me you tell us what you have done and what you

have left to do with the best estimated costs so that when we make the final appropriation they will be happy. So that you will be done with it and we can all be proud of it.

Senator Kilzer What should the amendment say if we go that way?

Senator Mathern My concern is that I have already heard a senator say, "I thought this was settled last biennium and now they are back."

Senator Kilzer But the senators that remember the figures from just two years ago.

Senator Mathern It is not a positive way to deal with decision making. There are senators who don't know all these details. I think we need to give these people the ability to complete this project without having to come back for another appropriation.

Senator Bowman You made the statement that there will be other things they have to add. If we give them the bill, they are still coming back. They may have changed their mind about something, when they come back; I want you to be happy with what you have. Can you live with this or do you need the full amount?

Mark I guess the thing is, I understand where you are coming from, it would be nice to get a little more than that because there are a lot of things that need to be done. We can look at raising additional funds, it is just so hard when you look at the mill and overlay, gutter too, about a mile. And then you start looking at irrigation and some of that stuff.

Kristen Another thing to look at is the obvious time to do the roads is when they are there to do the rest of the road. It costs quite a bit of money to bring a whole crew into a small town to do a small project. To me it just seems that it would be logical to do that part of the project at the same time.

Senator Kilzer I hope that your project manager will be a great aid in your decisions.

Senator Mathern We have great support now with our country in our state for veterans. I believe this is the time we do the best we can and get the best product as soon as we can.

Spoke about the history of the project, the competency of the Veteran's Home staff, and the need to get this project done. 1.46.54. They have worked on this two years, they have whittled this down, I am sure we will have to get a hold of a vet group to bring this to the level we want by October of next year.

Senator Kilzer What we need is a progress report to this committee after they spend the \$500,000 dollar amount. Can we put that in legislative intent?

Kirsten We've been getting project reports.

Senator Bowman I am happy with that, the only thing that bothered me is that it sounded like we don't care about our veterans; I am as passionate as any person to help the veterans. I'm trying to put in some logic behind a large appropriation. Is it wrong to ask for accountability? We will all be invited to come to the open house and be proud. I like accountability; I suggest you think about it so that it can save you a lot of money. Talked about the roads

Senator Matthern I did not mean to question your patriotism, if it came across that way, I apologize. I am concerned just like everybody else.

Senator Kilzer What type of heat are you using in the new home?

Mark It is electricity including the laundry.

Senator Kilzer Who would like to carry some of these bills?

Senator Mathern Will explain the telephone bill

Senator Bowman Will explain 2075

Senator Kilzer Will take the main one

Discussion about the \$500,000 report

Senator Kilzer I would like to get the bill out of appropriations committee Friday. Closed the subcommittee hearing on SB 2007

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2075

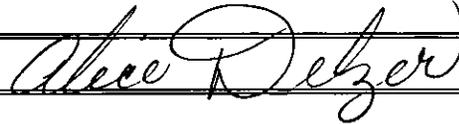
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02/16/09

Recorder Job Number: 9525

Committee Clerk Signature



Chairman Holmberg opened discussion on SB 2075.

Senator Kilzer explained the two documents he distributed. The committee on the VA recommended amendment 98165.0101.

Senator Kilzer moved the amendment be adopted. Senator Fischer seconded.

Discussion followed. A voice vote followed and the amendment was adopted.

Senator Kilzer moved a do pass on SB 2075 as amended. Senator Fischer seconded. A roll call vote was taken resulting in 13 yes, 1 no, 0 absent. SBI 2075 passed as amended.

Discussion about the budget, the grounds sprinklers, the project manager and the price followed.

Written testimony # 1 was submitted after the hearing was closed. It is entitled Items Funded in SB2075.

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.**

Senate Appropriations Sub Committee on the Veteran's Home Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to combine SB 2025, HB 1267, and SB 2075

Motion Made By Senator Mathern Seconded By Senator Bowman

Representatives	Yes	No	Representatives	Yes	No
Senator Kilzer	X		Senator Mathern	X	
Senator Bowman	X				

Total Yes 3 No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO SENATE BILL NO. 2075

Page 1, line 2, after "home" insert "; and to provide for a report to the budget section"

Page 1, after line 10, insert:

"SECTION 2. REPORT TO BUDGET SECTION - VETERANS' HOME EXTERIOR FINISHING CONSTRUCTION PROJECT. The state veterans' home shall report to the budget section regarding the status of the veterans' home exterior finishing construction project during the biennium beginning July 1, 2009, and ending June 30, 2011. The report must be made at the first budget section meeting scheduled after total expenditures for the exterior finishing construction project, appropriated in section 1 of this Act, exceed \$500,000."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section providing that the Veterans' Home report to the Budget Section on the status of its exterior finishing construction project.

Date: 2/16/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~2075~~ 2075

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number 98/65.0101

Action Taken Do Pass Do Not Pass Amended

Motion Made By Kilzer Seconded By Fisher

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach			Senator Seymour		
Senator Fischer			Senator Lindaas		
Senator Wardner			Senator Robinson		
Senator Kilzer			Senator Warner		
V. Chair Bowman			Senator Krauter		
Senator Christmann			Senator Mathern		
V. Chair Grindberg					
Chairman Holmberg					

Total Yes all yeas No voice vote

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2/16/09
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2075

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Kilzer Seconded By Fischer

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner	✓		Senator Robinson	✓	
Senator Fischer	✓		Senator Lindaas	✓	
V. Chair Bowman	✓		Senator Warner	✓	
Senator Krebsbach	✓		Senator Krauter	✓	
Senator Christmann		✓	Senator Seymour	✓	
Chairman Holmberg	✓		Senator Mathern	✓	
Senator Kilzer	✓				
V. Chair Grindberg	✓				

Total Yes 13 No 1

Absent 0

Floor Assignment Kilzer

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2075: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2075 was placed on the Sixth order on the calendar.

Page 1, line 2, after "home" insert "; and to provide for a report to the budget section"

Page 1, after line 10, insert:

"SECTION 2. REPORT TO BUDGET SECTION - VETERANS' HOME EXTERIOR FINISHING CONSTRUCTION PROJECT. The state veterans' home shall report to the budget section regarding the status of the veterans' home exterior finishing construction project during the biennium beginning July 1, 2009, and ending June 30, 2011. The report must be made at the first budget section meeting scheduled after total expenditures for the exterior finishing construction project, appropriated in section 1 of this Act, exceed \$500,000."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section providing that the Veterans' Home report to the Budget Section on the status of its exterior finishing construction project.

2009 HOUSE APPROPRIATIONS

SB 2075

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2075

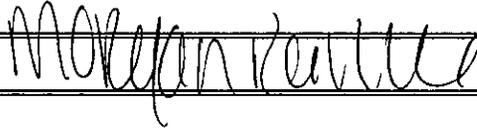
House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: 3/16/09

Recorder Job Number: 11035

Committee Clerk Signature



Minutes:

Mark Johnson: Testimony handout (Attachment A)

Representative Bellew: I see the price on there but where did you get that quote from? Just so you know I ran a golf course for 31 years and I know what irrigation systems cost.

Mark Johnson: The price code that was done was from Ulteig Engineering go out and contact a couple firms. Northwest Water Works is the company that supplied all the products. What they did was basically told us to take it two times the amount of what the cost of this is so basically doubling that. If it costs \$200 to buy the supplies it's about that for labor. That is what they did as a comparison and that is what we were told by Ulteig. What they did was basically said it was about 2.1% above what the cost of this is up to \$2.5 for labor.

Representative Bellew: Do you have an actual cost break down of that? I would like to see that. I think you are getting taken to the cleaners.

Mark Johnson: Yes we do. Continued testimony.

Representative Wieland: How many square feet is that existing building?

Mark Johnson: It is a full size 3 stall garage. I know it's probably 28 ft by 44 ft. Continued testimony.

Representative Wieland: That will be an enclosed, heating building when it is done?

Mark Johnson: It is a free standing unit at this time. It has its own heat and air conditioning at this time. It's totally separate at this time.

Representative Wieland: And you are going to install a full/half bath?

Mark Johnson: It would just be a toilet and a sink. We were hoping to do two. Continued testimony.

Representative Ekstrom: How many square feet for the storage building?

Mark Johnson: We are looking at 40x80x14. Continued testimony.

Representative Kerzman: You did the ground work already. How did you know what type of groundwork to do and stuff when you didn't have the home?

Mark Johnson: When we did all the ground work we had the concept already designed. What we did was have the National Guard come in last summer and they tore out all the trees and put a base pad down. It is made out of a lot of engineered field rock. It was something that was actually used on road construction and put on a farmer's field and he kept it. We were able to buy almost all of his pile. We were able to compact that to about 99%. A lot of the things that Wal-mart and other stores are doing is surcharge. We hauled in close to 220,000 yards of fill in that site and we have used the surcharge to speed up the settling process. When we recently had some of the engineered tests on our site, our goal was 3.5-6.5 settling. Right now we are at 5 ¾. We are almost there.

Representative Kerzman: Have you bid any of these projects yet? The garage seems quite high with just a foundation or are you putting in a whole floor?

Mark Johnson: They would be replacing the floor.

Representative Kerzman: Did you bid them yet?

Mark Johnson: What we did was contacted a few people in town and they came up with a bid.

We do have a bid list from construction. It is something that we will go out and ask for before we do that.

Representative Nelson: Is any of this work possible to include any of that in the economic stimulus.

Chairman Pollert: We will see an amendment on the geothermal. We are hearing no but maybe we will know more tomorrow.

Representative Nelson: Have you had any conversations with anybody at any state agencies about the economic stimulus for this or other parts of the construction?

Mark Johnson: we actually had a discussion with a representative from one of the Senators Offices. They are feeling that a geothermal piece will qualify for some stimulus money. As far as the rest of the building, we haven't had a real discussion with them.

Representative Nelson: I can see where some of this would be a stretch. The road piece and that. I was just curious if you had the conversation or not.

Chairman Pollert: I know we are going to have a lot of people who aren't going to want to hear the bill.

Mark Johnson: Are you saying this particular bill?

Chairman Pollert: I'm just being honest. We have so many bills dealing with this.

Representative Ekstrom: One thing I would ask you to do in anticipation of some of that, detail the numbers that you are doing. I just did a quick one on the storage facility. We have a pre-engineered building they were giving us prices of \$110 a foot.

Mark Johnson: As far as the telephone poles we are replacing 24 of them. The issue that we run into is that I have a master electrician that is on staff. He does a very good job for us. The issue that we are running into is that if he goes in and starts working on the existing poles he now has to rewire the whole pole and do a host of other things because his license is now in

jeopardy. We have been able to work our way around that. He's not the one that is touching those poles. He has other guys working on those. If you drive down there you will see stuff sticking out of them. Some of them are close to 80 years old.

Representative Nelson: As far as the timing of this, most of this work is it scheduled to coincide with construction? Does a lot of this occur after construction?

Mark Johnson: Moving the gazebo is going to be done after construction is done. The other piece that we are looking at, the 3 stall garage has to be moved. It is the front entrance. Our road is going straight through it. That building has to be removed. If you go back to the sheds, this is what we have for maintenance storage. We store all of our salt and gravel in that. We store other equipment as well. When you start putting beds and some of the other miscellaneous things they do repairs in that area. It is primarily all cold storage. The 1942 building had everything in it. All of our equipment is in there.

Representative Nelson: remind me, when the new facility is completed the old facility will be demolished beginning when?

Mark Johnson: We will be back next session.

Representative Nelson: Could you use that for cold storage until it is demolished?

Mark Johnson: I'm not quite sure. The old building is built like Fort Knox. Now you start knocking down on some of that stuff you will be getting into asbestos and a whole host of other things. There are several issues like what is it going to cost for asbestos and a host of other things. We are just really looking at if you can do a building in the back because that is what we were kind of looking at. All of our equipment would be right there.

Representative Nelson: My only point is that you are going through a pretty expanded construction phase. I would like to see the geothermal part of that. There is a point where the legislator would say that you had a good session. This might be that bill.

Representative Wieland: One more piece of information would be to find out what the actual size of that garage that you are moving is.

Mark Johnson: It is 28x50.

Representative Wieland: I pictured that as 26x48.

Chairman Pollert: what do you mean by \$125,000?

Mark Johnson: We aren't planting trees or shrubs. This is what this is for. We don't have anything put in here for grass. We are going to be doing the planting of the grass. It is just a timing piece that we are working with. It goes back to being able to have the keys much faster because we can finish up the other pieces faster. One of the things that we run into is that some of the costs are related to putting a whole new pressure system and a whole new pressure tank. You may know this a lot better than I do. That is one of the things we are doing.

We are trying to upgrade a lot of the stuff we have. The irrigation system that we have right now starts off with a 3 inch line and goes to a 2 inch line and then down to a 1 inch line. We lose a lot of pressure. Our existing system is a mess. I know that last year before we could even use the system our maintenance man spent almost a month just fixing all the areas that were in bad shape. We talked about the automatic system. We put some valves in last year but everything is still manual. It's the nature of the beast.

Chairman Pollert: What about the moving of the gazebo? You are going to move it, put in a bathroom, hook up electricity, water, and sewer lines, and that is \$50,000? How big is that?

Mark Johnson: I'm thinking that building is 40x30. It is all self contained. You have everything air conditioned and self contained. What they have right now is what is bid.

Representative Wieland: Are you anticipating that the gazebo will be used in the winter time?

Mark Johnson: Yes. We are hoping to use it.

Representative Wieland: But it is disconnected from the main building? There will be spaces between the two?

Mark Johnson: Yes. We may not be using it in January and February but overall we are looking at trying to do some other programming.

Representative Nelson: This takes me back 2 sessions. I can't help but believe that most of veterans are smokers. Where do they go to smoke?

Mark Johnson: Right now we have 2 smoke rooms. In the new building we won't have any.

Representative Nelson: So it will be smoke free?

Mark Johnson: Yes.

Representative Nelson: How is that going to work?

Mark Johnson: We have to provide some kind of a shelter for them. We were looking at putting a shelter up. We will do fundraising for that. The VA has come down pretty hard on this. They have a little shelter to the side.

Chairman Pollert: Is there any other testimony for SB 2075? If not we will close the hearing on SB 2075.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2075

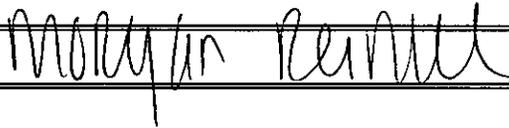
House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: 3/25/09

Recorder Job Number: 11545

Committee Clerk Signature



Minutes:

Chairman Pollert: I'll open the discussion on SB 2075. This is the exterior and buildings for the Veteran's Home.

Representative Kreidt: I have an amendment to the items funded in this fee for SB 2075.

There are 7 items listed for \$1,118,134. I have some numbers that we could plug in if we would so desire and take a look when we get done.

Chairman Pollert: Does everyone have a copy of that? Some have a different arrangement so we have to make sure we are talking the right things. My copy shows the irrigation and gazebo on the bottom. It still adds up to \$1,118,134. It's just the items have been shuffled a little bit. I think what we should do is that we have an itemized list of 7. I think what we will do is say ok and just take one or two items that we are talking about so far right now like irrigation and gazebo.

Representative Kreidt: I ask for an amendment for the removal of the irrigation system and the gazebo from the items on the list of 7.

Chairman Pollert: I think in case there is some difference of opinions, I'm going to ask for that in one motion

Sheila Sandness: That is fine. For purposes of voting you want the removal of these two items, one at \$515,000 and one at \$ to be lumped together?

Representative Kreidt: Yes.

Representative Nelson: Are you saying that the gazebo will stay where it is at during the next biennium?

Representative Kreidt: Yes that is correct. I believe they have some indication from the community and some organizations that they are willing to help move that.

Representative Nelson: So it will be moved it just wouldn't be done on state money?

Representative Kreidt: That is correct.

Chairman Pollert: So the motion is to remove the irrigation system for the \$515,000 and the gazebo? We will take the roll call. That motion passes 5-1-2. I know Representative Kreidt has been working on this so I'm going to let him finish his amendments.

Representative Kreidt: Where did you want to go next? The cost to move the 3 stall garage and put it on foundation. They have \$18,376 there. I know what the cement is going to cost them to do that and it is almost half the cost of the building. I have a number I'm using to move that and put it on a foundation for \$17,000 to get that job done.

Chairman Pollert: The cost to move a 3 stall garage? What I'm going to ask is since we have removed the two I am taking and you are talking about reducing some of these numbers. You are going to come up with a total figure that you want to bring forward. I'm going to ask the committee that if it's ok we will ask Representative Kreidt go through his presentation and we will take it from there and do it all at once.

Representative Nelson: I don't have a problem with the way it is being done. I just want to make sure I understand this right. In this particular column you are reducing that \$1,376?

Representative Kreidt: Correct.

Chairman Pollert: So you are saying \$17,000?

Representative Kreidt: Correct. I'll just keep going. On the mill and overlay curb existing now with the construction project there is going to be a situation there where they wouldn't be using all that money so I reduced that down to \$125,000 to do what they have to do right now. That would be about half of what they originally requested there.

Chairman Pollert: Now you are on the mill and overlay?

Representative Kreidt: Yes down to \$125,000 from \$257,000.

Chairman Pollert: I did have a discussion about this. If I'm correct they thought because they aren't going to be able to be the paving. I asked them that question point blank. They thought they could do it for \$100,000. I know the road got pounded really badly by the National Guard. I'm just letting you know that I had a conversation.

Representative Kreidt: If we come up with a dollar amount we can shift a little bit within these numbers. They might need that \$25,000 when I get done. I reduced the street lighting from \$3,000 to \$45,000. We only have two left if I remember. I brought landscaping down to \$75,000. The main storage and part of that is heated. They do have water for washing of equipment. I plugged that in at \$93,000. If I calculated this all correctly that would give them a total of \$350,000 for those 5 projects.

Chairman Pollert: You are talking \$93,000 for the storage building, \$17,000 for the cost of the 3 stall garage, \$70,000 for the landscaping, \$45,000 for the lights, and \$125,000.

Representative Kreidt: That should come out to \$350,000.

Chairman Pollert: I want to bring Mark up here for a second. I understand that you are storing equipment in old buildings with tarps over them or something. The landscaping, when you say

landscaping are you talking about getting the grass to look pretty and sodding it down?

Mark Johnson: When we look at all the landscaping that needs to be done and its purchasing trees and shrubbery and trying to get into the areas that are going to be landscaped inside all those hot areas. You are looking at several bushes, and the ground soil.

Chairman Pollert: Does all that have to be done? It would be done prior to openings in October of 2010?

Mark Johnson: Yes.

Chairman Pollert: I do question the roads.

Representative Kreidt: In regards to landscaping, we always do a fun little thing like buy a tree and donate. Then you will put a tag in memory of someone. We have done tons of trees. People drive by and see their tree growing and it is an idea.

Mark Johnson: We will be doing all those pieces. Our needs are going to be so great. You cut out \$44,000 in other equipment that we are going to be needing. We are going to be going to those organizations to get money for the wall weights. That is how we are going to get that piece done. We will be doing some of that but there are a lot of things that need to be done.

Representative Kreidt: Those were just numbers I thought were very realistic numbers to go ahead and do these. I guess we realized that this will go into conference committee.

Chairman Pollert: Representative Nelson and Representative Bellew were gone and we did some phone calls last week. We got some calls and called some independent contractors to find out what a building would cost. We were looking for something to do because we couldn't meet.

Representative Bellew: Part of my golf course superintendent experience was landscaping. Even though Representative Kreidt removed \$75,000 you can landscape an awful lot with that.

You don't have to buy full grown plants either because they do grow. If you take care of them right in 2-5 years they will be right where you want them and they will be gorgeous.

Representative Metcalf: What I have to say is not important. Especially after what

Representative Bellew just said are you planning on hiring a professional landscape artist? I'm just wondering if you were planning on hiring someone with that experience.

Mark Johnson: It is my understanding that we will have a landscape person coming out and looking at the building, making some recommendations that we will have to come up with the purchasing.

Chairman Pollert: Representative Wieland I don't want to ask on you but I know you did some checking on buildings.

Representative Wieland: We had a building built out at the Red River Valley fair and I called the manager out there and asked him what that building was.

Chairman Pollert: What type of building are you going to build? Is it going to be light, commercial, etc?

Mark Johnson: It is my understanding that it is probably something in the middle between light and commercial. We aren't doing a pull barn. It's a 2X4, its 14 feet high and going to be steel.

Representative Wieland: They built a building that didn't have that side wall. The building they built was a little smaller. What we did was just take their figures and projected it by the square feet. I did not adjust it for height. The estimate that we came up with was \$70,000. If you are going to go up to 14 foot, is it insulated?

Mark Johnson: We are looking at doing some insulation on the one end.

Chairman Pollert: It's half concrete so you are talking about doing insulation on the one end. Someone told me that it was going to be half concrete. Is that correct?

Mark Johnson: Yes. We would like to see all concrete but we were looking at what we can and can't do. The concrete itself, the cost has gone up 25% in our area.

Representative Wieland: I thought that maybe in the range of \$80-85,000 would have sufficed. Representative Kreidt put in \$93,000. I had computed the whole thing with concrete floor. I used \$110 a yard.

Mark Johnson: I don't know what the cost is. I just know that the concrete prices have taken a 25% increase. The more concrete we can do the better off we are. We would like to be able to store the equipment and be able to work in those areas.

Chairman Pollert: The reason I'm asking is that I think we are going to have a hard time passing this bill in the house. I know it's going to go to conference committee. This is because of the Veteran's Home and the work we had with SB 2025. Just by with people coming up and asking me about 2075. That is why we are pushing the numbers so hard. That is reality of what I'm hearing on the floor today. That is why I'm asking so many questions and seeing where we are at. It's the environment we are in right now. I have a number in mind.

Representative Metcalf: I wanted to make an adjustment to put \$100,00 back in but I don't want to do that now.

Chairman Pollert: I realize we have to do some stuff. We have people out there saying we shouldn't pass this bill and I know that. It might not pass whole appropriations. I wouldn't be surprised if it doesn't. Since you aren't going to do the pavement do you actually need \$100,000 because you can do a lot of patching for that kind of money. I think we should have that discussion.

Representative Nelson: I appreciate what you said but my experience on the appropriations committee that \$50,000 isn't going to change one vote. I could be wrong though.

Representative Kreidt: Let's see if someone in appropriations has a better idea of how we can get this out and let's take the chance there. I move that we accept the amendments with the number of \$350,000 to do the 5 items that we listed.

Chairman Pollert: It's not the bill it's the amendment.

Sheila Sandness: May I ask a quick question? He's moving an amendment to change the total to \$350,000. The bill as it stands has list items. We would have to remove certain language in the bill as well. Is that part of the motion?

Representative Kreidt: Yes. The gazebo and irrigation system would be gone. What about section 2?

Chairman Pollert: I would say it stays in there.

Sheila Sandness: We would have to change that amount.

Chairman Pollert: I think it should be a report. No matter what we can amend that out.

Representative Kreidt: I will put that in my amendment.

Sheila Sandness: The amendment as it stands is setting the total at \$350,000. You are taking out the irrigation system and gazebo. It also is eliminating the last part of the last line in regard to the part about the \$500,000. To make the sentence read what we actually need to say, the report must be made to the first budget section after the total expenditures for the exterior construction be expended or do you want them to report part way through. I think the intent of this language was about halfway through the projects that they would come and report. I don't know what your intent would be with the report. The language would just be change to say that they would report when the project is completed.

Chairman Pollert: There was a motion from Representative Kreidt and a second from Representative Nelson to move the \$1.1 to \$350,000. Is there any discussion?

Representative Wieland: I don't have it written down here but I had it on another sheet. I went through them and after I found out we could eliminate the gazebo and the irrigation system I came up with \$350,000.

Chairman Pollert: Representative Metcalf, were you wanting to make a substitute motion? If there is no more discussion we will call the roll. The roll call passes 4-2-2. That is just for the amendment.

Representative Metcalf: I want to further amend to increase this with the irrigation system for \$150,000. That is my motion to add the irrigation system back in.

Chairman Pollert: So your amendment would be to take the overstrike out of the irrigation system and add \$150,000. So the total bill would be \$500,000? Any discussion? If not we will take the roll call. It fails 2-4-2.

Representative Nelson: I will move a do pass as amended.

Representative Kreidt: I will second that.

Chairman Pollert: Is there discussion? I think the \$350,000 is a little high but if the amendment passes the way the bill did, it still goes. If not we will take the roll call vote. It passes 4-2-2.

Representative Kreidt: I will carry this bill.

2009 HOUSE STANDING COMMITTEE MINUTES

SB 2075

House Appropriations Committee

Check here for Conference Committee

Hearing Date: April 2, 2009

Recorder Job Number: 11639

Committee Clerk Signature

Carmen Hart

Minutes:

Chm. Svedjan turned the Committee's attention to SB 2075.

Amendment .0201 (Attachment A) was distributed.

Rep. Kreidt: This deals with the Veterans' Home in Lisbon, North Dakota. We looked at the eight items they wanted to do. After our examination we reduced the \$1,118,134 to \$350,000.

We left the storage building. With the water hookups, originally they asked for \$104,390. We reduced that to \$93,000. The landscaping, they were requesting \$125,000. We reduced that to \$70,000. The Section removed the irrigation system. We thought the half million dollars they were talking about was really out of line. Moving the three stall garage was \$18,376. We reduced that to \$17,000. About half of that is the cement and foundation for the building. We took out the gazebo that they were requesting to move. The mill and overlay was reduced from \$257,000 to \$125,000. The street lighting, we reduced that from \$48,000 to \$45,000. I would move the amendment .0201.

Rep. Wieland seconded the motion.

Chm. Svedjan: (12:30) Is it the understanding of the Section that this should be achievable given that there will be major construction down there in addition?

Rep. Kreidt: That's correct.

Rep. Pollert: The vote was not unanimous in committee. They didn't want SB 2075 passed and the \$350,000 still may be high. My thought was that it should have been \$300,000. I thought \$125,000 is too much for paving on the road when I won't say patch and whatever you want to call it for probably \$50,000. Those were my opinions. I think it was 4 to 2 and two absent.

Rep. Nelson: (14:14) We visited with the Veterans' Home Administration and asked them to prioritize those eight items that were on the original list to see which ones they really felt needed to be done this biennium. Their priorities were moved to the top. I would not say that they are happy with the dollar amount but they did prioritize their projects.

Rep. Hawken: (15:07) Are some of those things we could do as we move forward?

Rep. Kreidt: Regarding the gazebo, the administration felt they would be able to get local help to move it.

Rep. Hawken: I didn't think we should have built it in the first place. I am concerned because we can't get nurses, but we are. If we are going to do it, let's not cheap out to save \$50,000. If it can be moved to another biennium, fine. It's silly at this point since we have made the decision to do it to not do it right. I hope we are. I am trusting you guys that you did it the right way. If you didn't, then let's fix it and do it right.

Rep. Kreidt: The irrigation system, for example, three years ago we put in a complete system at our golf course in New Salem. They are talking about \$515,000 – about 14 acres. We irrigated about 18 acres and it was \$28,000. We did most of that with volunteer labor. Costs have probably gone up, but even if we spent \$40,000 for equipment and they got volunteers and added \$70,000 additional money, that's a far cry from \$500,000. The administration said to go ahead and take it out. We're pretty much in the ballpark with what they need to do.

Rep. Metcalf: (19:09) They really felt at the time they submitted the bill they thought this is really what they needed. They were remiss in the fact that they did not have details on the irrigation system that would point out the fact of the money that they requested. That was a real problem on their part. We have people hired to run a nursing home and we put a demand on them that they have all the information to build a brand new one. They were stretched beyond their limits. I think we can hold off on the irrigation system. Eventually that will come back to us. The federal government has said "this is the way we want it done." That was a serious problem. When you put in an irrigation system around that type of building, it will be very different than putting one in at a golf course. I know this Committee does not want to spend the \$500,000, but I am sure they will come back next session with better information. I don't want this to go below \$350,000.

Rep. Berg: (22:21) What is the total cost now with the geothermal and what we are doing here and what share is General Fund?

Rep. Kreidt: It's \$31.5 million for the facility. \$350,000 here. The geothermal was \$3.069 million.

Rep. Berg: What portion is General Fund?

Rep. Kreidt: \$14.5 million.

Rep. Berg: Why was this bill not part of the other bill that came through?

Rep. Kreidt: I'm assuming these things came up after. It came into a separate bill in the Senate.

Rep. Pollert: They knew some of the legislature was not happy as far as how the VA got involved and how the Veterans' Home evolved from where it was last session when it was roughly \$12 or \$18 million or something. Now it ballooned to \$31 million. The geothermal came in a little bit later because they didn't have the numbers yet. The waters were muddied.

They wanted to work on the Veterans' Home first and if they put the exterior in and they put the geothermal in, it would look a little uglier all the way through.

Rep. Berg: The main bid does not include anything for landscaping or the exterior?

Chm. Svedjan: No, that is correct.

Rep. Pollert: The maintenance storage building does need to be done. Some of their old equipment is stored in old buildings with tarps over them. If we don't pass the bill, at least the maintenance storage building is going to have to go in the Veterans' Home budget.

Rep. Metcalf: Originally this was approved during the last session at \$25 million. As the federal government changed their specs and the fact that the bids came in higher, they said, "what can we strip out of this project?" They stripped out the geothermal. We are at the point where we have accepted the geothermal. I would hope we could do as much of this as possible so that two years from now what we see has been built by the state of North Dakota.

They were stripped out just to get this.

Chm. Svedjan: While there is relevance to the bill we dealt with yesterday, this amendment is on something separate from that.

Rep. Skarphol: 29:06) My suggestion would be that they can do this on the dollars they have if they can find the money available and the overall appropriation that they have.

Rep. Kreidt: \$350,000 is a reasonable figure. We set up some dollar amounts for the items they have on here. We are not telling them how to spend it. They can spend it how they like.

Rep. Berg: We're spending \$34 million and this is a small part. They are not sure where their costs are going to come in or not come in. I am inclined to adopt this amendment and be done with talking about Veterans' Home construction. This is one-time money which is positive.

Next year you can talk about Veterans' Home construction.

Rep. Kreidt: They do have a \$750,000 contingency in their building plan, and I would hope when they build a new building, they don't have a lot of change order, and they should have some money left in that.

A voice vote was taken. Motion carries.

Rep. Kreidt moved a Do Pass on SB 2075 as Amended. Rep. Wieland seconded the motion.

DO PASS AS AMENDED. 18 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING. Rep. Kreidt
is the carrier of this bill.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2075

Page 1, line 5, replace "\$1,118,134" with "\$350,000"

Page 1, line 7, replace "an irrigation system," with "including"

Page 1, line 8, remove "moving and adding a bathroom to the gazebo,"

Page 1, line 13, remove "status of the" and replace "project" with "projects"

Page 1, line 15, remove "total expenditures for"

Page 1, line 16, replace "project" with "projects" and replace "exceed \$500,000" with "are complete"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes funding for the irrigation system and for moving and remodeling the gazebo and reduces funding for the remaining projects to provide a total of \$350,000. The amendment also requires the Veterans' Home to report to the Budget Section regarding the construction projects when they are complete, rather than when total expenditures exceed \$500,000.

Date: 4/2/09
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2075

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .0201

Action Taken adopt amendment .0201

Motion Made By Kreidt Seconded By Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glasheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - carries

If the vote is on an amendment, briefly indicate intent:

Date: 4/2/09
 Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2075

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 0201

Action Taken Do Pass as Amended

Motion Made By Kreidt Seconded By Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich		✓			
Rep. Skarphol		✓	Rep. Kroeber	✓	
Rep. Wald	✓		Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer	—	—	Rep. Glassheim	✓	
Rep. Thoreson		✓	Rep. Kaldor	✓	
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert	✓		Rep. Ekstrom	✓	
Rep. Bellew		✓	Rep. Kerzman	✓	
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 18 No 6

Absent 1

Floor Assignment Rep. Kreidt

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2075, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2075 was placed on the Sixth order on the calendar.

Page 1, line 5, replace "\$1,118,134" with "\$350,000"

Page 1, line 7, replace "an irrigation system," with "including"

Page 1, line 8, remove "moving and adding a bathroom to the gazebo,"

Page 1, line 13, remove "status of the" and replace "project" with "projects"

Page 1, line 15, remove "total expenditures for"

Page 1, line 16, replace "project" with "projects" and replace "exceed \$500,000" with "are complete"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes funding for the irrigation system and for moving and remodeling the gazebo and reduces funding for the remaining projects to provide a total of \$350,000. The amendment also requires the Veterans' Home to report to the Budget Section regarding the construction projects when they are complete, rather than when total expenditures exceed \$500,000.

2009 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2075

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2075 conference committee

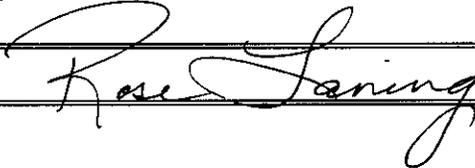
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: April 21, 2009

Recorder Job Number: 12049

Committee Clerk Signature



Minutes:

Senator Kilzer called the conference committee hearing to order on SB 2075 regarding improvements for the state veteran's home.

All committee members were present: **Senator Kilzer, Senator Bowman, Senator Mathern and Rep. Kreidt, Rep. Nelson, and Rep. Metcalf.**

Senator Kilzer: What in the world did you do to this bill? When we sent this wonderful bill out from the senate, we referred to it as the landscaping bill, sprinkler system, shed, etc. total of \$1.1M. The House has it at about \$300,000. Please bring us up to date.

Rep. Kreidt: We were in limbo with the bill with what was happening with the weather. We sat down and looked at bill from the Senate with over a million dollars in it and at the same time we were having some discussion with the Veteran's Home on these particular projects. We called house moving company, sprinkler, contractors etc. and got bids on the different projects. Let's take the cost of the golf course at New Salem first. He compared cost of golf course with proposed costs of landscaping and sprinkler systems at veteran home. We prioritize what we thought was need. The landscaping could get some volunteer help and we took out the sprinkler system. I've looked at the gazebo and after visiting with administration, they could get that done. The mill lay and overwork with the new construction, they could get by with ½ of what they were asking. Irrigation of golf course at New Salem the cost for

material for nine holes was \$28,000. We estimated what the labor would be and estimated it at \$80,000 to 100,000. The irrigation system at Vet's home was \$130,000. The building – contractor gave price of \$90,000. Vet's had \$104,000 so we thought we were in the ballpark. Half the garage is for foundation and water. The \$18,000 was in range. The gazebo was put up with volunteer money. The mill lay we plugged in at \$125,000. There was a lot of discussion in full committee, I thought we were going to lose the whole thing in full appropriations because there was a lot of unhappiness with doing anything because the cost of the veterans home and the geo-thermal. That is how we came up with \$550,000.

Rep. Nelson: I would agree with most everything said. It was a tough vote in full committee. I would have liked to have seen the landscaping project with sprinkler.

Senator Kilzer: Can I go back a bit. Both said you had trouble in full committee was it because the costs were getting higher than what was projected last session or was it because of the \$1.118M that the Senate had and you had found \$350,000 to do the same job. Why were your fellow appropriation committee members ready to kill the whole bill?

Rep. Nelson: It was unrelated to this bill or this part of the project. The last biennium we thought we funded veteran's home at level to be completed. The plans were changed, the additional costs that occurred with the building project itself was a consideration. The geo-thermal was an add-on. A number of legislators said this is just getting out of hand and we have to say no at this point of time to anymore. That was my impression.

Rep. Kreidt: The construction for the new facility and costs going up. Why do we have another bill and when it all should have been included in the original project. The mill work, the storage building, landscaping, those items could have been included with construction of facility. We put in what we thought was needed. The project should have been studied more. We felt this was a reasonable budget.

Senator Kilzer: I have one remaining question about the road. How has that been lowered?

Rep. Kreidt: You have \$257,000 for mill work and overlay of the roads is what was sent over from the Senate. We brought that back to about half. With construction, they would do what they felt was necessary. Then they could come to the emergency commission or wait and develop the roads after the facility was done during the next session.

Senator Kilzer: As I recall, landscape would be done in various stages as the building was being done.

Rep. Metcalf: I was there last Saturday and in my opinion the roads were broken up and we need to tear them up and start all over again.

Senator Kilzer: We were told that on the Senate. They'd have to start from scratch.

Rep. Metcalf: Geo-thermal and landscaping. Let's put together as one unit. Took geo-thermal and added to main bill SB 2007 and that raised it \$3.26 M dollars. That geo-thermal is bid into the project right now. Contractor's rules or state rules the Veterans home has 90 days to accept contract. That is up on April 27. It has to be signed, sealed and delivered by the 27th. I thought it would be easier if we take the geo thermal out of the main bill 2007 and put it into SB 2075. I asked Shelia to prepare an amendment that would do that.

Senator Kilzer: Did you discuss where you want to put the geo-thermal in 2075 or 2007?

Rep. Kreidt: They received one extension on bid to 90 days. Is that correct?

Rep. Metcalf: I don't believe so.

Rep. Kreidt: Could they give another 30 days.

Rep. Metcalf: I can check.

Rep. Kreidt: Maybe things will shake loose.

Senator Bowman: I thought there was some suggestion that there will be some stimulus money

Rep. Kreidt: Yes.

Senator Bowman: I would have liked to have a copy of the bid. Most landscaping is usually roughed in and ground work is done. I thought there was money in the original deal for part of that. We need accountability and that is why we set it up so that when they were half done they had to show us what they were doing and how they were spending the money.

Senator Mathern: I think we're setting ourselves up for two embarrassments. One is getting this bill done. It isn't just the deadline with the contractors, it is also the federal legislation and the staff. These are a lot of changes as we can take some things out and expect volunteers to pick up the work. We still need staff to manage volunteers and raise the money. We don't want a brand new building out there that doesn't look good. They'll be back in 2 years and we'll be frustrated again. I would hope that we could move ahead and accept amendments. I would encourage us also to have an amendment that would permit the veterans home to match FEMA dollars and I would hope that might be a way of getting at that money. We can put money in here for a match and maybe some of the roads and sprinkler system could be funded in this way and that could address some of these cuts.

Rep. Nelson: Lori, wouldn't state be responsible for the FEMA match?

Lori Laschkewitsch, Fiscal Analyst, OMB: FEMA would just come in and provide a certain percentage; it would be the states responsibility.

Rep. Nelson: Does that have to be in bill?

Lori Laschkewitsch: It would depend on if they have enough money for the match in their budget? It's an unknown. I'm not sure how to resolve.

Rep. Nelson: I like to agree with Rep. Metcalf and ask for extension but I think that would be a mistake. Let's find a vehicle and get the geo- thermal behind us and meet the deadline.

Senator Kilzer: We'll discuss both 2007 and 2075 at next meeting.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2075 conference committee

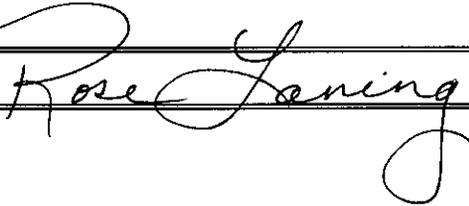
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: April 22, 2009

Recorder Job Number: 12093

Committee Clerk Signature



Minutes:

Senator Kilzer called the conference committee hearing to order on SB 2075 which concerns improvements for the Vet's home. Roll call was taken. Committee members present were: **Senators Kilzer, Grindberg (sitting in for Senator Bowman), Mathern; Rep. Kreidt, Nelson and Metcalf.**

The House members handed out changes of how they came up with \$350,000 – see attached #1.

Rep. Metcalf: With all the flood damage, I'd like to see it raised to \$500,000. They have to replacing sprinkling system and there is a lot of lawn work. There will be many outstanding bills. I'd like to see it raised.

Senator Mathern: I have a proposal to offer to the committee for a comprehensive proposal and I would move amendment 98165.0203.

(turned on recorder)

Rep. Metcalf: I will second.

Senator Mathern: This amendment to the conference committee suggest that the House recede from their amendments, but that we proceed essentially by adopting some of both the Senate and the House concerns. One is that we take the amount of money, the \$350,000 and the \$1.1 M that we had in the Senate, and just cut it in half. Literally, \$734,067 is halfway

between the House and the Senate. I believe there are literally three to four million dollars of expenditures that will be needed there for this organization not to come back to us next legislative session. I also understand the concerns there and as far as I'm concerned they can spend any dollar and it won't meet all of the needs, so let's cut that down the middle in terms of the House and Senate. The other thing supporting what the House is saying, doing what we can to get these federal stimulus dollars to pay for the geo-thermal system, taking the geo-thermal system from SB 2007 and putting it into this bill so we have a vehicle to get this bill voted on and out of here before Saturday. The other thing is the potential for the match so that any of the money that would be in this \$734,000 could in fact be used for match for federal FEMA monies. This is a permissive aspect here which basically says that if we can get a FEMA payment for the sprinkler system, let's take a 10% match out of here instead of paying for the whole thing out of general fund dollars. We would leave that open. The Veterans Home as they come up to these decisions should they pay for this or use it as match for FEMA dollars, they come up with a recommendation, they bring it to OMB, and if OMB agrees, they can do it that way. It's a vehicle to make decisions in the context of these targets changing every day. Work creatively with those options as they come forward with the \$700,000 but having the oversight of OMB. On page 2 of this item, you find a narrative summary of what these amendments do; provides the federal stimulus dollars for the geo-thermal system, provides a contingency general fund appropriation if the stimulus dollars are not available, provides the opportunity for the veterans home, upon the approval of OMB, to use FEMA dollars of matching them, averages the Senate and House dollars, and then has the veterans home report to the budget section regarding construction projects when they are complete. And that was in the House amendments. I would hope that we could adopt a proposal like this, close our conference committee, get this on the floor, get it voted on. I think both houses

could accept it. I called the director yesterday asking what would be the consequence of not meeting this deadline and I was told that the change order that would happen adding 30 % to the cost. We need to give them the tools to move forward.

Senator Grindberg: In the first half of the session – your comments are for the new construction.

Senator Mathern: These comments relate to the landscaping costs for new projects and the heating and air conditioning system for the building of the new building.

Senator Grindberg: It is interesting to have leverage for a match for FEMA. FEMA is not paying for any sprinkler repairs. This isn't repair, it's a new system so this FEMA discussion is irrelevant in my opinion because they're not going to do that.

Senator Mathern: I just used that as an example. This does not relate to any specific item, they can use it for anything.

Senator Grindberg: I had a conversation with the architect on the front side regarding the geo-thermal and I don't think there is any magic date by April 24. What I was told weeks ago was that in the geo-thermal system, the contractors were going to hold their bids well beyond the date here. I don't know if we're getting conflicting information for geo thermal whether it's 30%, or I was told the contractors would hold that geo-thermal price and it's going to be months before they get to that point in the project where they have to carry the 30% upcharge. There is so much work that still has to happen.

Senator Mathern: I was told there was a 30 day extension parameter.

Rep. Kreidt: I would hope we can resist the amendments Senator Mathern brought forward. I do have a proposal this morning and I'd like to bring that forward. Before I do that, I'd like to remind the committee, when we had 2075 in our section, we spent a lot of time on it.

– I explained the projects that were brought forward. We visited with facility in regards to the irrigation and the gazebo. Those are two items that they assured us they can do without.

A similar project was a little over \$100,000; we thought this figure was out of line. The facility thought they could get along without that if we'd help them with the 5 items that we did. We had a lot of discussion in full committee and we were very fortunate that we were able to pass any amount of dollars out of our appropriations committee. I was quite concerned when this bill even came to the floor and we were able to pass it. We passed it out bill with the \$350,000. I personally feel that if we came back to the House floor with anything above the \$350,000, we're going to have a real difficult time having that bill passed. What I would like to offer this morning is. I would be in favor of moving the geo-thermal out of SB 2007 and putting it into SB 2075 – the \$3,039,414 and going forward with the \$350,000 dollars that came out of the House. I could assure this conference committee that we could then pass that bill and they could go ahead and do their geo-thermal. I also feel that there is a deadline, but I think that is quite flexible when it comes to the geo-thermal part of the facility. They will go ahead and start one construction which begins this spring. That is the proposal that I have this morning. If this committee could agree to that we could get this moved out rather quickly.

Senator Kilzer: We have motion before us. I will take comments from the additional two House members and then we will vote on this motion.

Rep. Metcalf: Concerning the deadline date – this has been made very strongly to me that this deadline date has to be met. I understand that we could miss that date and it would only cost us 30% more. But 30% more? Are we willing to gamble? I'm not. I would just as soon that we save that million dollars – that 30% of \$3 M dollars and move forward on a timely manner.

Senator Kilzer: Who mentioned the deadline date? Was it Mark Johnson?

Rep. Metcalf: It was not. To tell you the truth, it was Duane Ternes that emphasized that very much. Duane Ternes is a retired contractor and he knows the contracting business in and out. He's the one that stressed that we have to meet that deadline.

Rep. Nelson: I agree with much of what Senator Mathern said, but he used a poor example with the sprinkler system. There will be a FEMA component – whether it be roads, or because of the grounds that have been damaged by the diking. Could Lori explain the state's role in a FEMA match because its undeterminable right now as to what part of that project qualifies for FEMA. How is the state match handled?

Lori Laschkewitch, OMB: As far as the FEMA piece and the flooding piece, there is statutory provision available for how the state handles an emergency. It gives the state the ability to explore different options of arriving at state match whether it be the funding that is in the emergency services budget that they have obtained for the flooding. There is a borrowing authority for emergencies if you cannot have general funds available and there is the light possibility that you will be back here again by the time they would need to start spending the state match and getting things taken care of. All of that is set out in statute already on how to handle the emergency piece of it without it being legislatively appropriated. You had to appropriate emergency services to pay back loans for the Grand Forks and Fargo flooding, and so that is the ability that emergency services has to access that funding.

Rep. Nelson: In this bill, we don't have to concern ourselves with FEMA match. In regard to the geo-thermal heating system, whether or not it's important, it's in our best interest to meet that deadline if we possibly can. It sends a message to the Veterans Home and the people of ND that we want to get this project started, meet the deadlines that are given to us. My feeling is that the only way that we're going to do that in a timely manner and get something passed in our chamber, Rep. Kreidt said it well, I don't think we could pass Senator Mathern's

amendment on the House floor. And that would back us up to a position where we'd have to begin this process all over again in this bill or to continue the appropriation in the veterans home appropriation bill. I think our best chance to get this geo-thermal piece in and passed in a timely manner would be to defeat **Senator Mathern's** amendment and accept **Rep. Kreidt's**.

Senator Mathern: In terms of a match, I understand there are other provisions involved.

This places matter immediately at the attention of the Veterans Home in terms of their planning so they do everything possible to make sure they choose projects that will eventually not be part of match and leave enough available so when match comes, some of those projects could be done. Now, I thought that was a way that the House could see this as being a little more palatable. The match is going to come out of this or some other area

A Roll Call vote was taken. Yea: 2 Nay: 4 Absent: 0

Mathern amendment fails.

Senator Kilzer: Rep. Kreidt, you are going to be presenting another, and I do have a question on that. On the geo-thermal, if the stimulus did not accommodate that, would your amendment show that the general fund would.....

Rep. Kreidt: That is correct. That is the way it was set up in 2007. The general fund would cover it if the stimulus dollars weren't available.

Senator Kilzer: Is there further discussion about the Kreidt proposal?

Rep. Metcalf: I have an amendment here that I would propose and I move that we accept this amendment. The only thing that this amendment covers is the movement of the geo-thermal from SB 2007 over to SB 2075.

Senator Kilzer: And it leaves the \$350,000 intact?

Rep. Metcalf: It does. It does not even mention \$350,000. The only thing it does is move the geo-thermal.

Rep. Kreidt: I appreciate Rep. Metcalf's amendment of moving the geo-thermal into SB 2075 but if we can include it with the \$350,000. If the stimulus money wasn't available that we would use general fund dollars and that we'd have to put an emergency on it this also so we can move forward with this bill as quickly as we could. I think we need a statement in regards to the stimulus funds. Sheila could get an amendment put together.

Senator Kilzer: I must remind the House members that the geo-thermal was not received very favorably in the Senate, particularly with general funding dollars. The stimulus hadn't been heard of yet when we had the bill, but I would not be too interested in jeopardizing this bill by having permissive language that general funds might be provided in the Senate.

Rep. Kreidt: We are quite sure that there will be stimulus dollars available to do this project. We are 98 % sure that the money is going to be available. Again, my personal feelings, for the long term, a geothermal, for a heating system for a facility that size, and all the problems and bumps we face on the House side, that is one thing that we did agree upon is the geo-thermal.

Senator Kilzer: We were told in the Senate that payback was 20 years and energy prices have gone down since then.

Rep. Nelson: I just would like to point out that we will assist you, the information we were given is less than 20 years and will have reinforcing documentation of the stimulus money in that regard. The only reason we put the contingency fund in there is so they would know they could go forward with the project either/or and we're very certain about that.

Senator Kilzer: Thank you and we will meet again.

Rep. Nelson: Do we have time to vote?

Senator Kilzer: I have not seen the thing we're voting on. I would have to see that.

(Rep. Metcalf handed out his amendment .0202 – see attached # 3) Some of us do have other meetings at 10:00.

Rep. Nelson: The only reason I say that is if there's a chance of a positive vote, we can get this, this is probably our last chance to get this done before this week as I even see it.

Senator Kilzer: We will not vote on this today. We need more study and we've used up our time.

Rep. Kreidt: We can review the amendment.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2075

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 04-23-09

Recorder Job Number: 12158

Committee Clerk Signature

Alice Reber (done in person)

Minutes:

Chairman Kilzer opened conference committee on SB 2075. Let the clerk take the roll. All conferees are present. They are as follows: **Senators Bowman, Mathern; Representatives Kreidt, Nelson, Metcalf. Sheila Sandness, Legislative Council and Lori Laschkewitsch, OMB** were also present.

Representative Kilzer: I think we are getting close. Does anyone have a proposal or a motion?

Representative Nelson: I am ready to make a motion, but before we do, I'd like Lori to give us some information that she has regarding the geothermal portion of this. There has been contact with the veteran's home and the contractor.

Lori Laschkewitsch: We have had architects doing some checking with the contractors regarding the holding of the price and what the additional cost would be if they are not able to sign the contracts including the geothermal. From the contractors that have gotten back to them, they said that there would be an increase in the pricing of the supplies and that it could be an 18 to 30 percent increase for the change order after the contract has been signed. It could amount to around a half of a million for the geothermal if that is added on?

Representative Nelson: In addition to that, we tried to provide some reassurance to the Senate as far as the stimulus money, and what we found is that it is really important that we

have that contingent appropriation from the general fund. This has to walk through the steps of the department of energy hierarchy. At a minimum, we are looking at 60 to 75 days out before we will get approval of the stimulus money. It has to work through that system. To keep this project on track and to keep the geothermal portion of this in there, they need the reassurance that the funding level is there. As much as we would like to take that contingent general fund appropriation out of the bill, I think it is very important that we have that in there at this point in time. We will have to depend on the system to work so that it is funded, but ultimately by the stimulus dollars. We need to meet this deadline. I am hopeful we can get this out today and get to both bodies and get this behind us.

Chairman Kilzer: This is the first I heard about the department of energy being involved.

Representative Nelson: That is the area of stimulus dollars in the breakdown of the money that comes into the state; this was the energy efficiency portion I think. It is through the department of commerce that has the energy office in it. The federal Department of Energy would be where the approval needs to take place to fund this particular program. The criteria that they use is based on a number of things, payback and with the air exchange system I think we need to get more information to them so it is a more solid system from their point of view. It is going to take some time.

Representative Kreidt: We have been talking about the payback and the numbers have been anywhere from 20 to 5 or 6 years situation. We have some pretty good assurances that we are looking at 10 to a 12 year payback on a geothermal system even with the air exchange that you have to have in a health care facility. We are jeopardizing this whole project right now. We are trying to be somewhat conservative but if we miss the deadline and it cost us another million dollars because we missed a deadline, I think that doesn't look very conservative to me. I would hope we could adopt our proposed amendment .0202 that we gave you yesterday

before we adjourned. I think this is something we would be able to pass on the House floor and meet the deadline. We would hope that the Senate could do the same. I feel very uncomfortable to go back up to the House with anything different than what we are proposing here. I can't speak for our whole assembly, but I think we would have difficulty passing anything else.

Senator Bowman: I was under the assumption that the geothermal (inaudible), but by adding the language that we will pick up if it is not. What incentive is there to see that they get geothermal if they know we are going to pay for it? That is my concern. We have already told the federal government that we are going to pay for it if this money is not available out of general fund money. If you are sitting in an office making a decision, how do they make the decision if we have already made it for them?

Representative Nelson: My understanding is that the funding source, the contingent funding source, would not have any bearing on the application. It would go to the Department of Energy based on the criteria of the project and not an alternative funding source. That is the understanding that I have.

Lori Laschkewitsch: That is the understanding that I have. The application, the grant is going to be applied, and the funds are for North Dakota for a project. If this project ranks in those priorities and qualifies, there won't be any regard to any contingent appropriation out there.

Chairman Kilzer: This is at the level of the Department of Commerce?

Lori Laschkewitsch: The Department of Commerce submits a plan to the Department of Energy as to what criteria they are going to use for the plan to issue those grants. Then that plan is approved and then it comes back down to the Department of Commerce to write that program and appropriate what is theirs.

Representative Kreidt: In dealing with other bills that have come out of our section, this is the type of language that we use because in Department of Corrections where we were looking at replacing a boiler over there, this is similar language that we used in that. Then need the boiler, but if we can get the stimulus money to replace that boiler, that is first in line. And then if we can't then it would be the general fund. It is not specific language to this particular bill. We use this type of language consistently in other budgets.

Chariman Kilzer: Are those comments in agreement with .0202? Could you go through them?

Representative Kreidt: We would accept these amendments. I asked him to prepare them.

Representative Metcalf: (Explained the amendments .0202)

Representative Metcalf: Moved amendments .0202.

Representative Kreidt: Seconded.

Chairman Kilzer: The comment by Representative Metcalf that there may not be enough funds worries me.

Lori Laschkewitsch: This project is a priority with the Department of Commerce. We have more applications normally than there are funds available for. However, they are committed to this being a priority. If it meets all of the criteria for the funding and the feds approve that, this project will be funded.

Senator Mathern: I am wondering, I think that the passage of this amendment means there will be another bill here next session to do this extra work. I hope we will remember that and that there would be enough money to do all the exterior work. I also wonder if this amendment permits the veterans home to proceed with raising the money for all of the extra things.

Representative Metcalf: This bill together with the main bill does authorize the veterans home to seek other funds. They have already been in the process of doing that. For example, the gazebo. They have commitments from different veteran's organizations to do that.

Lori Laschkewitsch: The veteran's home already has the authority to accept grants and donations, from groups, families, etc. to use for the veteran's home. They have the authority to do that.

Senator Mathern: I think there is not enough money in there to do the proper work. If we can move through it we should do it.

Chairman Kilzer: I think we are at the point that we need to be moving.

Committee clarified what motions were made and voted on.

A Roll Call Vote was taken: 6 yeas, 0 nays, 0 absent.

Senator Kilzer will carry the bill.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number SB 2075 (, as (re)engrossed):

Date: April 21, 2009

Your Conference Committee Senate Appropriations

DATE For the Senate:

For the House:

DATE

				Yes	No	YES / NO					Yes	No	YES / NO															

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	_____	of amendment
LC NO.	_____	of engrossment
Emergency clause added or deleted		
Statement of purpose of amendment		

MOTION MADE BY: _____

SECONDED BY: _____

VOTE COUNT ___ YES ___ NO ___ ABSENT

April 21, 2009

*vote
No*

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2075

That the House recede from its amendments as printed on page 1249 of the Senate Journal and page 1155 of the House Journal and that Engrossed Senate Bill No. 2075 be amended as follows:

Page 1, line 2, after "home" insert "and a geothermal heating system", replace "and" with "to provide a contingent appropriation;", and after "section" insert "; and to declare an emergency"

Page 1, line 5, replace "\$1,118,134" with "\$734,067"

Page 1, line 9, remove the second "and" and after the fifth comma insert "and upon approval from the office of management and budget, providing matching funds necessary to secure federal emergency management agency assistance"

Page 1, line 10, after the period insert "The veterans' home shall report to and receive approval from the office of management and budget prior to spending any funds appropriated under this section to match federal emergency management agency funding."

SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS.

There is appropriated from federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, the sum of \$3,039,414, or so much of the sum as may be necessary, to the veterans' home for the purpose of installing a geothermal heating system in the new veterans' home facility, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 3. CONTINGENT APPROPRIATION. If federal funds appropriated under section 2 of this Act are not available to provide the sum of \$3,039,414, there is appropriated out of moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,039,414, or so much of the sum as may be necessary, to the veterans' home for the purpose of installing a geothermal heating system in the new veterans' home facility, for the period beginning with the effective date of this Act and ending June 30, 2011. The veterans' home may spend the general fund moneys appropriated under this section only to the extent that federal funds appropriated in section 2 of this Act are not available for these purposes."

Page 1, line 13, remove "status of the" and replace "project" with "projects"

Page 1, line 15, remove "total expenditures for"

Page 1, line 16, replace "project" with "projects" and replace "exceed \$500,000" with "are complete"

Page 1, after line 16, insert:

"SECTION 5. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation of federal fiscal stimulus funds received through the Department of Commerce for the geothermal heating system in the new Veterans' Home facility, provides a contingent general fund appropriation if the federal funds are not available, allows the Veterans' Home, upon approval from the Office of Management and Budget, to use funding provided in the bill to match Federal Emergency Management Agency assistance funds, and reduces funding for the exterior projects from \$1,118,134 as approved by the Senate to \$734,067. The House provided a total of \$350,000. The amendment also requires the Veterans' Home to report to the Budget Section regarding the construction projects when they are complete, rather than when total expenditures exceed \$500,000, the same as the House version.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number SB 2075 (, as (re)engrossed):

Date: April 22, 2009

Your Conference Committee Senate Appropriations

For the Senate: Mather's amendment For the House:

YES / NO		YES / NO	
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

OTE COUNT ___ YES ___ NO ___ ABSENT

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 2075 (, as (re)engrossed):

Date: 4/23/09

Your Conference Committee Senate conference

For the Senate:

For the House:

	YES / NO	YES / NO
<i>Present</i> ✓ Kilger		✓ Kreed
✓ Bowman		✓ Nelson
✓ Mather		✓ Metcalf

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____ and place _____ on the Seventh order.

_____ , adopt (further) amendments as follows, and place _____ on the Seventh order:

_____ having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

VOTE COUNT ___ YES ___ NO ___ ABSENT

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2075

That the House recede from its amendments as printed on page 1249 of the Senate Journal and page 1155 of the House Journal and that Engrossed Senate Bill No. 2075 be amended as follows:

Page 1, line 2, after "home" insert "and a geothermal heating system", replace "and" with "to provide a contingent appropriation;"; and after "section" insert "; and to declare an emergency"

Page 1, line 5, replace "\$1,118,134" with "\$350,000"

Page 1, line 7, replace "an irrigation system," with "including"

Page 1, line 8, remove "moving and adding a bathroom to the gazebo,"

Page 1, after line 10, insert:

"SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS.

There is appropriated from federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, the sum of \$3,039,414, or so much of the sum as may be necessary, to the veterans' home for the purpose of installing a geothermal heating system in the new veterans' home facility, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 3. CONTINGENT APPROPRIATION. If federal funds appropriated under section 2 of this Act are not available to provide the sum of \$3,039,414, there is appropriated out of moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,039,414, or so much of the sum as may be necessary, to the veterans' home for the purpose of installing a geothermal heating system in the new veterans' home facility, for the period beginning with the effective date of this Act and ending June 30, 2011. The veterans' home may spend the general fund moneys appropriated under this section only to the extent that federal funds appropriated in section 2 of this Act are not available for these purposes."

Page 1, line 13, remove "status of the" and replace "project" with "projects"

Page 1, line 15, remove "total expenditures for"

Page 1, line 16, replace "project" with "projects" and replace "exceed \$500,000" with "are complete"

Page 1, after line 16, insert:

"SECTION 5. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation of federal fiscal stimulus funds received through the Department of Commerce for the geothermal heating system in the new Veterans' Home

facility, provides a contingent general fund appropriation if the federal funds are not available, and removes funding for the irrigation system and for moving and remodeling the gazebo and reduces funding for the remaining projects to provide a total of \$350,000. The amendment also requires the Veterans' Home to report to the Budget Section regarding the construction projects when they are complete, rather than when total expenditures exceed \$500,000.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 2075 (, as (re)engrossed)

Date: 4/23/02

Your Conference Committee Senate, Prop on Amends. 0202

For the Senate:

For the House:

	YES / NO			YES / NO	
<u>Kilger</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Kreidt</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Bowman</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Nelson</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Mather</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Metcalf</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (S/H) page(s) 1249 - ~~115-119~~

and place _____ on the Seventh order.

adopt (further) amendments as follows, and place 2075 on the Seventh order:

_____ having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) 2075 was placed on the Seventh order of business on the calendar.

DATE: 4/23/02
CARRIER: Kilger / Kreidt

LC NO. <u>98165 0202</u> of amendment
LC NO. _____ of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: Metcalf

SECONDED BY: Kreidt

VOTE COUNT 6 YES _____ NO _____ ABSENT _____

REPORT OF CONFERENCE COMMITTEE

SB 2075, as engrossed: Your conference committee (Sens. Kilzer, Bowman, Mathern and Reps. Kreidt, Nelson, Metcalf) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1249, adopt amendments as follows, and place SB 2075 on the Seventh order:

That the House recede from its amendments as printed on page 1249 of the Senate Journal and page 1155 of the House Journal and that Engrossed Senate Bill No. 2075 be amended as follows:

Page 1, line 2, after "home" insert "and a geothermal heating system", replace "and" with "to provide a contingent appropriation;", and after "section" insert "; and to declare an emergency"

Page 1, line 5, replace "\$1,118,134" with "\$350,000"

Page 1, line 7, replace "an irrigation system," with "including"

Page 1, line 8, remove "moving and adding a bathroom to the gazebo,"

Page 1, after line 10, insert:

"SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS.

There is appropriated from federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, the sum of \$3,039,414, or so much of the sum as may be necessary, to the veterans' home for the purpose of installing a geothermal heating system in the new veterans' home facility, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 3. CONTINGENT APPROPRIATION. If federal funds appropriated under section 2 of this Act are not available to provide the sum of \$3,039,414, there is appropriated out of moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,039,414, or so much of the sum as may be necessary, to the veterans' home for the purpose of installing a geothermal heating system in the new veterans' home facility, for the period beginning with the effective date of this Act and ending June 30, 2011. The veterans' home may spend the general fund moneys appropriated under this section only to the extent that federal funds appropriated in section 2 of this Act are not available for these purposes."

Page 1, line 13, remove "status of the" and replace "project" with "projects"

Page 1, line 15, remove "total expenditures for"

Page 1, line 16, replace "project" with "projects" and replace "exceed \$500,000" with "are complete"

Page 1, after line 16, insert:

"SECTION 5. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation of federal fiscal stimulus funds received through the Department of Commerce for the geothermal heating system in the new Veterans' Home facility, provides a contingent general fund appropriation if the federal funds are not available, and removes funding for the irrigation system and for moving and remodeling the gazebo and reduces funding for the remaining projects to provide a total of \$350,000. The amendment also requires the Veterans' Home to report to the Budget Section regarding the construction projects when they are complete, rather than when total expenditures exceed \$500,000.

Engrossed SB 2075 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

SB 2075

1

SENATE APPROPRIATIONS COMMITTEE HEARING

WEDNESDAY, JANUARY 21, 2009

TESTIMONY ON SB 2075

Chairman Holmberg and members of the Senate Appropriations committee, my name is Mark Johnson, Administrator of the North Dakota Veterans Home.

Senate Bill 2075 includes funding for the irrigation system for the new facility and surrounding grounds as well as replacing our existing irrigation system, landscaping around the new facility, moving our three stall garage, moving the gazebo, a maintenance shop and for repairs to our existing roads.

The existing irrigation system is approximately 30 years old and irrigates approximately 10 acres at the Veterans Home. The old system is obsolete and designed for a home owner application. The system has no pressure tank, and therefore, is under powered and can serve only one sprinkler zone at a time. Last summer our ground maintenance supervisor spent more time fixing the system than he did using it. The new system, which will use the latest technology, is expected to service approximately 30+ acres. The cost of the irrigation system is estimated at \$515,000.

Once the new home is completed, landscaping will need to be completed around the new home as well as around the perimeter of the home. The estimated cost to complete the landscaping, with our existing staff doing most of the work, is estimated to cost \$125,000.

Part of our request includes funding to move our three stall garage to a new location behind the new facility. Currently, it is located where the roads for the front entrance of the new home will be. The costs to move the garage, place a foundation under it and hook up electricity is estimated at \$18,376.

Our gazebo is currently attached to the skilled nursing wing of the existing veterans home, where it serves as a day room for the residents. Due to state building code regulations the gazebo will not be attached to the new facility to save costs. We are requesting \$50,368 to move it to the main courtyard of the new facility. Since it will be a free-standing building, funding will be needed to install a bathroom, hook up electricity and sewer and water lines.

Last summer during the preparation work for the new building, our 1942 maintenance building had to be removed to make room for the new facility. This building provided storage for all of our outdoor equipment and bulk supplies that are needed for general maintenance. We are currently utilizing tarp sheds and borrowed buildings to house equipment and supplies. The estimated cost to replace the building is \$104,390.

Our outlier roads took a beating this summer from all the trucks and heavy equipment used for the ground work of the new facility. A number of our roads are in disrepair and will need to be repaired and resurfaced once construction is completed on the new facility. This funding will allow us to do a mill, overlay and chip seal of the existing roads and will also allow us to install curb and gutter in a few areas of the existing campus. The estimated cost for this work is \$257,000.

Another critical issue that we need to solve is street lighting. Many of our existing poles are over 50 – 80 years old and the electrical wiring is in poor condition and poses a safety hazard. The main road of the veterans home is used by the

residents, staff and the public for transportation and recreational purposes. The illumination from the street lights is very poor and costly to operate. The estimated cost to install new light poles around the perimeter road of the veterans home is \$48,000.

Thank you for allowing me to speak and I will now take any questions.

Respectfully submitted,

Mark B. Johnson, Administrator

North Dakota Veterans Home

ITEMS FUNDED IN SB 2075

*Same hardware
given to House.*

ITEM

COST

Maintenance storage building including sewer and water hookups	104,390
Landscaping	125,000
Irrigation - new site and upgrade existing	515,000
Cost to move 3-stall garage & put on foundation	18,376
Cost to move gazebo, put on foundation, add sewer & water & bathroom	50,368
Mill & overlay, curb and gutter (existing site) <i>strip + seal</i>	257,000
Street lighting	48,000
Total of all items listed	\$1,118,134

County may help

1- Aug

1

ITEMS FUNDED IN SB 2075

<u>ITEM</u>	<u>COST</u>
1 Maintenance storage building including sewer and water hookups	93,000 104,390
2 Landscaping	70,000 125,000
3 Irrigation - new site and upgrade existing	515,000
4 Cost to move 3-stall garage & put on foundation	17,000 48,376
5 Cost to move gazebo, put on foundation, add sewer & water & bathroom	50,368
6 Mill & overlay, curb and gutter (existing site)	125,000 257,000
7 Street lighting	45,000 48,000
Total of all items listed	350,000 \$1,118,134

HOUSE HUMAN RESOURCE COMMITTEE HEARING

MONDAY, MARCH 16, 2009

TESTIMONY ON SB 2075

Chairman Pollert and members of the Human Resources committee, my name is Mark Johnson, Administrator of the North Dakota Veterans Home. I am here today to testify in favor of SB 2075.

Senate Bill 2075 addresses work that needs to be done on the grounds of the Veterans Home. It includes funding for an irrigation system, a new maintenance shop, landscaping around the new facility, moving our three stall garage, moving the gazebo, and for repairs to our existing roads. Attached is a detailed list of the items included in this bill.

The funding for the irrigation system includes irrigation for 6.4 acres on the new building site and replacement of our existing system. The existing irrigation system is approximately 30 years old and irrigates 7.5 acres. The old system is obsolete and designed more for a home owner application. Since the system has no pressure tank it is under powered and can serve only one sprinkler zone at a time. Last summer our ground maintenance supervisor spent more time fixing the system than he did using it. The new system, which will use the latest technology, is estimated at \$515,000. I have included the estimate we received from Ulteig Engineering for the irrigation system and road work as well as a map that details the existing irrigation system and the proposed system for the new site.

Once the new facility is completed, landscaping will need to be completed around the perimeter of the home. The estimated cost to complete the landscaping, with our existing staff doing most of the work, is \$125,000. The contract for the new facility does not include any landscaping work.

Part of our request includes funding to relocate our three stall garage to an area behind the new facility. It is currently located where the road for the front entrance of the new home will be. The costs to move the garage, place a foundation under it and hook up electricity is estimated at \$18,376.

We are requesting \$50,368 to move our gazebo from its current location to the main courtyard of the new facility. Currently the gazebo is attached to the skilled nursing wing of the existing veteran's home, where it serves as a day room for the residents. Due to state building code regulations, the gazebo will not be attached to the new facility to save costs. Since it will be a free-standing building, funding will be needed to install a bathroom, hook up electricity, sewer and water lines.

Last summer during the preparation work for the new facility our 1942 maintenance building was removed to make room for the new facility. This building provided storage for all of our outdoor equipment and bulk supplies. We are currently housing our equipment and supplies in tarp sheds and borrowed buildings, shown in the attached pictures. The estimated cost to replace the maintenance building is \$104,390.

Our outlier roads took a beating this summer from all the trucks and heavy equipment used for the ground work of the new facility. A number of our roads are in disrepair and will need to be repaired and resurfaced once construction is completed on the new facility. This funding will allow us to do a mill, overlay and chip seal of the existing roads and will also allow us to install curb and gutter in a

few areas of the existing campus. It is important to note that we typically do an overlay and chip seal to the existing roads every seven years and we have already gone beyond this time frame. The estimated cost for this work is \$257,000.

Another critical issue that we need to address is street lighting. Many of our existing poles are 50 – 80 years old and the electrical wiring is in poor condition, posing a safety hazard. The main road of the veteran's home is used by the residents, staff and the public for transportation and recreational purposes. The street lights provide very poor illumination and are costly to operate. The estimated cost to install new light poles around the perimeter road of the veteran's home is \$48,000.

Thank you for allowing me to speak and I will now take any questions.

Respectfully submitted,

Mark B. Johnson, Administrator

North Dakota Veterans Home



Ulteig

3350 38th Ave. S.
Fargo, ND 58104
Tel 701-280-8500
Fax 701-237-3191

www.ulteig.com

August 11, 2008

Mr. Mark Johnson
North Dakota Veterans Home
1400 Rose Street
Lisbon, ND 58054

Subject: **Pavement & Irrigation Assessment**
Summary of Estimated Cost
UEI Project No. 108.0521

Ulteig Engineers was hired to perform a pavement assessment based on visual inspections and an on-site meeting with officials on August 1, 2008. From this, pricing for the mill & overlay for the existing asphalt was identified along with four alternative pricing items. See attached Exhibits for further explanation of areas and alternatives.

Included with this summary is an irrigations assessment provided by Northern Waterworks. Based on the coverage area set forth by the North Dakota Veterans Home at the on-site meeting on August 1, 2008, which was 100% remodel on the existing irrigation and 100% coverage of all newly constructed areas. This price includes a new pump station, mainline/lateral pipe, sprinklers, valves and wiring system. The design was based on 600gpm at 100psi which will result in a run time of approximately 12 hours. All irrigation components are typical of commercial applications and include warranties of up to three years.

Below is a brief description and engineer's estimated costs assuming a 5% inflation per year until 2011.

<u>Work Performed</u>	<u>Projected Cost</u>
Mill & Overlay for all existing asphalt on site	\$126,000
Alt. #1 - Excluded Area (Deduct)	\$18,000
Alt. #2 - Install Curb & Gutter (Rose Street to existing curb)	\$50,000
Alt. #3 - Install Curb & Gutter (Admin. Drive to park entrance)	\$11,000
Alt. #4 - Install new pavement on current haul road	\$52,000
Alt. #5 - Irrigation new site installation and upgrade existing site	\$515,000

Sincerely,



Kevin Knott, PE
Building Services - Site Development

KJK/ldb - Enclosure

**NORTH DAKOTA
VETERANS HOME**
Lubbock, North Dakota

COST ESTIMATE

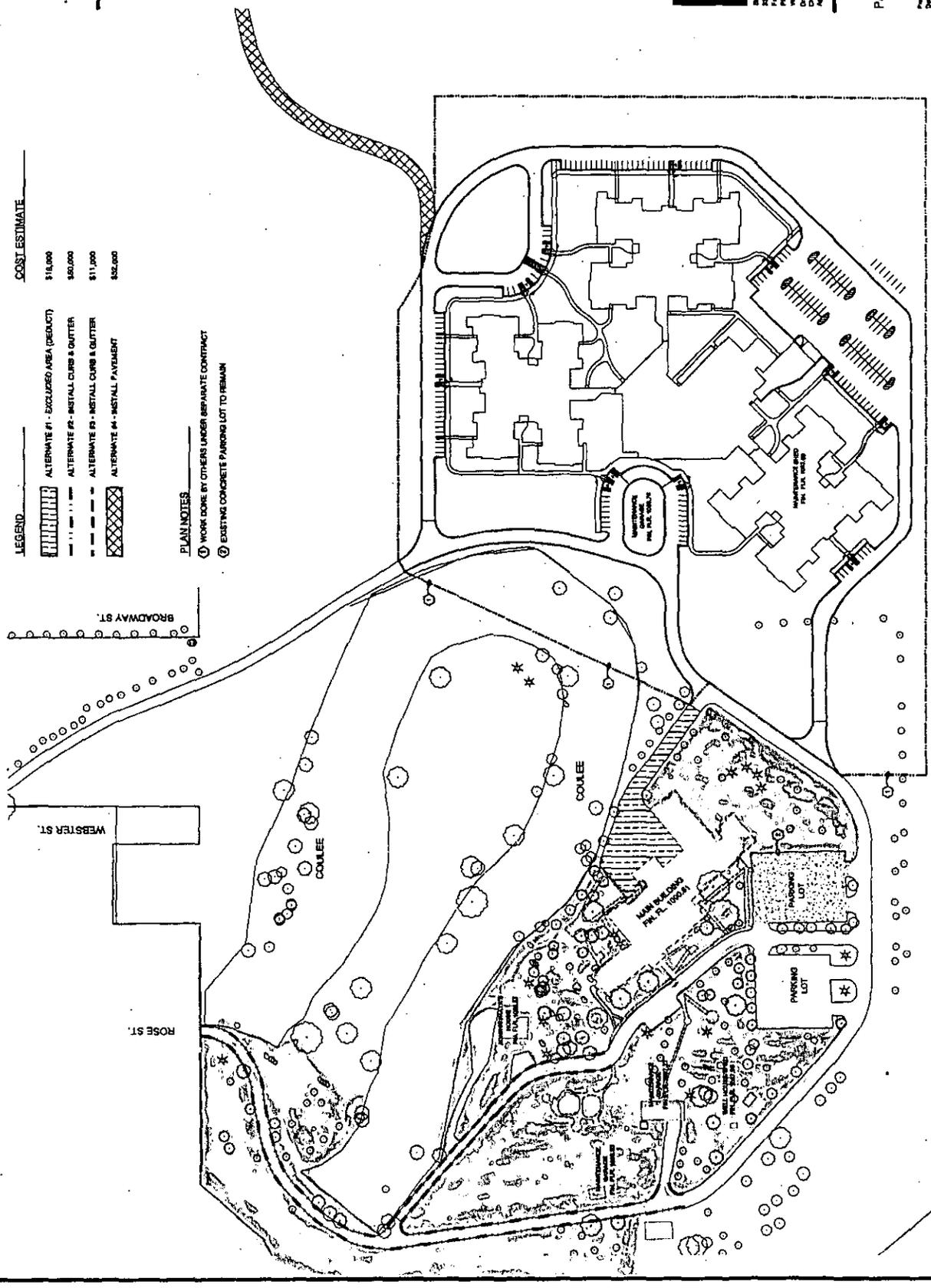
ALTERNATE #1 - EXCLUDED AREA (PRODUCT)	\$18,000
ALTERNATE #2 - INSTALL CURB & GUTTER	\$50,000
ALTERNATE #3 - INSTALL CURB & GUTTER	\$11,000
ALTERNATE #4 - INSTALL PAVEMENT	\$82,000

LEGEND

[Symbol]	ALTERNATE #1 - EXCLUDED AREA (PRODUCT)
[Symbol]	ALTERNATE #2 - INSTALL CURB & GUTTER
[Symbol]	ALTERNATE #3 - INSTALL CURB & GUTTER
[Symbol]	ALTERNATE #4 - INSTALL PAVEMENT

PLAN NOTES

- ① WORK DONE BY OTHERS UNDER SEPARATE CONTRACT
- ② EXISTING CONCRETE PAVING LOT TO REMAIN



Ulteig
 1000 1st. Avenue South
 Lubbock, ND 58001
 Phone: 701.282.2000 Fax: 701.282.6729
 Website: www.ulteig.com
 Created by: JAW
 Approved by: JAW

PAVEMENT ASSESSMENT

Project Number: 13.002
 Date: 12/03/13
EX2



