

FISCAL NOTE
Requested by Legislative Council
03/25/2015

Amendment to: Engrossed HB 1139

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$10,400,000		
Expenditures				\$11,500,000		
Appropriations				\$11,500,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Amended version #15.8086.020001 restores \$6.1 M in revenue bond authority & \$1.4 M in locals funds for the renovation of DSU Woods Hall, a residence hall. It also adds \$3.5 M revenue bond authority & \$500 K in local funds for purchase of three apartments for student housing at DSU.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Amended version #15.8086.020001:
 Section 1 authorizes revenue bonds of \$6,100,000 for Woods Hall renovation and \$3.5 M for the purchase of three apartments (Miller, Altringer, Bosch) to be repaid through auxiliary revenues, including residence hall rents.
 Section 2 authorizes the additional use of \$800,000 of approved 13-15 Department of Land Trust Higher Ed Energy Impact Office Grants, per SB2013 (2013) and \$1.1 M of local institutional funding, which is currently available.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Amended version #15.8086.020001:
 \$9.6 M from the sale of revenue bonds and \$800,000 from transfer from 13-15 Dept. of Land Trust Higher Ed Energy Impact Office Grants in 15-17 biennium

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Amended version #15.8086.020001:
 \$7,500,000 in capital expenditures related to the Woods Hall renovation and remodeling project (\$6.1 M revenue bonds + \$800K oil impact + \$600,000 local) & \$4M for the purchase of three apartments (\$3.5M revenue bonds + \$500 K local).

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Amended version #15.8086.020001:

\$7,500,000 in capital expenditures related to the Woods Hall renovation and remodeling project (\$6.1 M revenue bonds + \$800K oil impact + \$600,000 local) & \$4M for the purchase of three apartments (\$3.5M revenue bonds + \$500 K local).

Name: Laura Glatt

Agency: ND University System Office

Telephone: 701-328-4116

Date Prepared: 03/25/2015

FISCAL NOTE
Requested by Legislative Council
02/24/2015

Amendment to: HB 1139

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						\$7,400,000
Expenditures						\$8,000,000
Appropriations						\$8,000,000

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Authorization to issue \$6.1 M in revenue bonds and total authority of \$7.5 M for renovation of DSU Woods Hall, a residence hall. Amended version #15.8086.01001 eliminates the 15-17 project authorization and replaces it with an interim study, delaying the project until at least 17-19.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 authorizes revenue bonds of \$6,100,000 to be repaid through auxiliary revenues, including residence hall rents.

Section 2 authorizes the additional use of \$800,000 of approved 13-15 Department of Land Trust Higher Ed Energy Impact Office Grants, per SB2013 (2013) and \$600,000 of local institutional funding, which is currently available.

Amended version #15.8086.01001 eliminates the project authorization and replaces it with an interim study, resulting in a likely a project cost increase in 17-19 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

\$6,100,000 from the sale of revenue bonds and \$800,000 from transfer from 13-15 Dept. of Land Trust Higher Ed Energy Impact Office Grants in 15-17 biennium The \$600,000 in campus local funds is already in hand and available for use.

Amended version #15.8086.01001: \$6,600,000 from the sale of revenue bonds and \$800,000 from transfer from 13-15 Dept. of Land Trust Higher Ed Energy Impact Office Grants in 17-19 biennium The \$600,000 in campus local funds is already in hand and available for use.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$7,500,000 in capital expenditures related to the renovation and remodeling project in 15-17.

Amended version #15.8086.01001 would delay project until at least 17-19 biennium, resulting in a projected \$500,000 cost increase, thereby increasing the overall project cost from \$7.5 to 8.0 million. Estimate is based on historical construction price indices.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

\$6,100,000 authorized for receipt and use of revenue bond proceeds and \$800,000 of approved 13-15 Department of Land Trust Higher Ed Energy Impact Office Grants, per SB2013 (2013) and \$600,000 of local institutional funding.

Amended version #15.8086.01001 would likely require increased revenue bond authority from \$6.1 to \$6.6 M, due to delay in renovation and related anticipated construction cost increases. This would be supplemented with 800,000 of approved 13-15 Department of Land Trust Higher Ed Energy Impact Office Grants, per SB2013 (2013) and \$600,000 of local institutional funding.

Name: Laura Glatt

Agency: ND University System Office

Telephone: 701-328-4116

Date Prepared: 02/25/2015

FISCAL NOTE
Requested by Legislative Council
12/20/2014

Bill/Resolution No.: HB 1139

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$6,900,000		
Expenditures				\$7,500,000		
Appropriations				\$7,500,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Provides authorization to issue \$6.1 million in revenue bonds and total appropriation authority of \$7.5 million for renovation and remodeling of DSU Woods Hall, a residence hall.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 authorizes revenue bonds of \$6,100,000 to be repaid through auxiliary revenues, including residence hall rents.

Section 2 authorizes the additional use of \$800,000 of approved 13-15 Department of Land Trust Higher Ed Energy Impact Office Grants, per SB2013 (2013) and \$600,000 of local institutional funding, which is currently available.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

\$6,100,000 from the sale of revenue bonds and \$800,000 from transfer from 13-15 Dept. of Land Trust Higher Ed Energy Impact Office Grants. The \$600,000 in campus local funds is already in hand and available for use.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$7,500,000 in capital expenditures related to the renovation and remodeling project.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

\$6,100,000 authorized for receipt and use of revenue bond proceeds and \$800,000 of approved 13-15 Department of Land Trust Higher Ed Energy Impact Office Grants, per SB2013 (2013) and \$600,000 of local institutional funding.

Name: Laura Glatt

Agency: ND University System Office

Telephone: 701-328-4116

Date Prepared: 01/05/2015

2015 HOUSE APPROPRIATIONS

HB 1139

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division
Roughrider Room, State Capitol

HB 1139
1/26/2015
22526

Subcommittee
 Conference Committee

Gail Hrdlicka

Explanation or reason for introduction of bill/resolution:

A BILL for an Act authorizing the issuance of revenue bonds for improvements to Woods Hall on the Dickinson state university campus; providing an appropriation for defraying the expenses of improvements to Woods Hall; and to declare an emergency.

Minutes:

"Click to enter attachment information."

Chairman Monson: Called the meeting to order.

D.C. Coston, President of Dickinson State University: Woods Hall is a residence hall on the Dickinson State Campus having been constructed in the middle 1960's it have been maintained very well, but there have not been any renovations or updates to it. Dickinson State at present doesn't have any residence halls that are considered contemporary residence halls the way nurse students today have expectations. We have quite a number of students who come to visit us looking at coming to school with us who find our lack of updated residence halls disappointing and it is a challenge for us at times.

Woods Hall is a traditional dormitory the way most of us would think of it with some 28 - 30 students sharing restroom facilities.

Chairman Monson: Was the building built in the '60s? Has it been remodeled at all?

Coston: Yes in the 1960's. It has been well maintained on the stand point of being in good shape. There has been no renovation on it since that time.

Chairman Monson: Is there asbestos issues in this building?

Coston: Yes there are.

Chairman Monson: Where is the asbestos?

Coston: Its tiles.

Chairman Monson: Does it meet handicap accessibility and everything?

Coston: It is in good shape. This project will be enhancing that to be sure that if we have students with various types of challenges, they can be accommodated.

Chairman Monson: How about your fire suppression is that in compliance?

Coston: Yes sir

Chairman Monson: Revenue bonds when you are talking bonding?

Coston: yes sir

Vice Chairman Streyle: What is the current occupancy of all your dorms right now? Are they 100% full? 70%?

Coston: We currently have this residence Hall off line. We actually hoped to have construction under way this year. We found out that the budget section can't take this action. WE are pretty well full in the rest of our residence halls, but for the students that came in this year we recruited a higher proportionate transfer student that are no required to live on campus.

Vice Chairman Streyle: In the analyses on this bond does the cash flow at 70% full or do you need 100% to make this (inaudible)?

Coston: The cash flow would indicate that we would not need it. It would be in the range of 75 - 80% forward would allow for the cash flow.

Chairman Monson: This building you took off line we would not have been able to do that probably for two reasons. First of all your enrollment is dropped significantly from what it was a few years back so you probably didn't have a thick of a demand or need for that building.

Chairman Monson: Are you going to do something else for some other dorms? What is your plan there?

Coston: Our hope would be to bring this one on line and updated assuming it fills up and enrollment fills which we indeed anticipate we probably in a couple three years would like at coming back and doing renovations to some of our other residence halls and facilities as well.

Meeting adjourned.

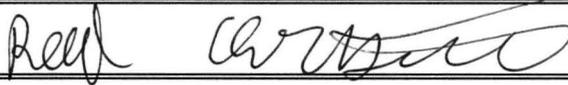
2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1139
2/17/2015
23980

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act authorizing the issuance of revenue bonds for improvements to Woods Hall on the Dickinson state university campus; providing an appropriation for defraying the expenses of improvements to Woods Hall; and to declare an emergency.

Minutes:

Chairman Monson: reconvened the subcommittee on HB 1139. It's probably means that students are going to be paying more for rent, if DSU is looking at fewer students, is this building necessary?

Rep. Guggisberg: I know we want to take all the funding out for the buildings but I am wondering if we should get more information before we kill this bill.

Rep. Sanford: Since this is a revenue bond, why is it here?

Larson: In statute the State Board of Higher Education must receive legislative authorization to issue revenue bonds. That's why you would see this as being appropriated.

Chairman Monson: Even with special funds we still have to appropriate it. Why would we pass this when we have been taking out some other high priority projects. I am not sure that this is merits passage anymore then these other bills.

Rep. Schmidt: At some point do we not have to fix these buildings? I thought this was renovation, at some point do we have to tear it down?

Chairman Monson: That makes a good case, there are no state funds in the bill. It would be consistent to vote this bill down.

Rep. Schmidt: The other bills were asking for money from us, but this one already has the funds.

Chairman Monson: I can't think of any other bills that were strictly revenue bonds.

Larson: 1003 was also a revenue bond at the NDSU aquatic center.

Chairman Monson: That was a new construction. This is a remodel.

Rep. Schmidt: This is the only building that is a remodel that has the funds to do it whereas the other ones were something different. Sooner or later we are going to have to fix it or tear it down.

Motion Rep. Schmidt made a motion to Do pass and 2nd by Rep. Guggisberg

Rep. Boe: Well, the question was asked, why do we care? Obviously we do care by having to give them permission. I don't know what kind of due diligence we have to have before approving this?

Rep. Dosch: The due diligence comes when they issue the bonds they make sure that there is repayment in place. We need to take a look at the overall debt of DSU. The bonding does make sure there is a coverage ration like a loan.

Chairman Monson: They have a reduced number of students, can they take this offline and do the renovation when they don't have as many students. What if their enrollment doesn't come back? I don't think we have all the necessary information to pass this bill.

Rep. Schmidt: I am putting faith in the bonding company, the bonding agent is the one that has to make that determination.

Rep. Boe: How do we know the vision of leadership is going to focus on this as a priority?

Rep. Martinson: I think these bonds are pretty easy for the bond writer to approve because they are backed by North Dakota.

Chairman Monson: The conscious of the state of North Dakota isn't going to let an institution default on a bond, the state isn't obligated.

Rep. Boe: The why question still hasn't been answered.

Chairman Monson: They can't spend this kind of money without approval.

VOTE: Yes 2, No 5, Absent 1; Motion failed.

Rep Sanford: It would be helpful to get more background information before bringing this to the full committee.

Tammy Dolan: This was not part of their request to OMB. I have the same information you have.

Chairman Monson: Meeting adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1139
2/18/2015
24055

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill for an Act authorizing the issuance of revenue bonds for improvements to Woods Hall on Dickinson State University campus; providing an appropriation for defraying the expenses of improvements to Woods Hall; and to declare an emergency.

Minutes:

Chairman Monson: Called the meeting to order. I have a little report on HB 1139 Woods Hall on Dickinson State University campus. Woods Hall is empty; the foundation is in the process of selling off some of their assets. DSU needs to turn around there student count. The building is structurally sound, but it's the 60's and 70's style dorm rooms that nobody likes. I am going to be meeting with the Vice President this week.

Rep. Martinson: Could you ask the Vice President, where would Dickinson get the money? How much will take to remodel it?

Vice Chairman Streyle: Why does this have special consideration? Everything else got put off until the second half.

Chairman Monson: This is different because it is not using state funds. We should give it a do not pass.

Vice Chairman Streyle: The decision is only a month away. It doesn't make sense to pass it.

Chairman Monson: The Senate can do what they wish with it if we push it off. If Dickinson wants it, the Senate will probably put it in.

Rep. Boe: We are just talking about kicking the can down the road. I think we should give it a Do Not Pass and send it out.

Vice Chairman Streyle: Bottineau had revenue bonds that we stripped out as well.

Vice Chairman Streyle: Moves a Do not pass 2nd by Rep. Schmidt.

Vote: 8 Yes, 0 No, 0 Absent.

Motion for a Do Not Pass Carries.

Rep. Streyle Carries the Bill.

Meeting closed.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1139
2/23/2015
Job #24261

- Subcommittee
 Conference Committee

Kenneth M. Toliver

Explanation or reason for introduction of bill/resolution:

Authorizing the issuance of revenue bonds for improvements to Woods Hall on the Dickinson State University campus

Minutes:

Amendment: .01001

Chairman Jeff Delzer called the hearing to order on HB 1139.

Representative Monson: Explained the amendment.(Amendment .01001) It turns it into a study. Some of the representatives from the Dickinson area wanted to keep this bill alive so they would have a vehicle to try to figure out a way for Dickinson State University to purchase some apartments that are owned by the DSU Foundation that they have to liquidate. These are cash-flowing and they would like to keep this alive in some way, so I put study language together. It's a hoghouse.

Chairman Jeff Delzer: I would guess that we should go ahead and send this across with the amendment on it, and let them see what they come back with, with the idea that everybody can change their vote if they don't like the idea they come back with. They'll find a spot somewhere else, but they wanted to keep it a separate issue that was a little easier to come back with. And we didn't want to really do Woods Hall because of our current situation.

Rep. Monson: I would move the amendment .01001 to HB 1139.

Rep. Streyle: Second.

Chairman Delzer: Further discussion?

VOICE VOTE TAKEN:

MOTION CARRIES.

Chairman Delzer: We have the amended bill before us.

Rep. Monson: I move a Do Pass As Amended.

Rep. Streyle: Second.

Chairman Delzer: Any discussion on the motion? Seeing none, the clerk will call the roll.

ROLL CALL VOTE TAKEN:

YES: 23 NO: 0 ABSENT: 0

MOTION CARRIES.

Representative Monson is the carrier.

Chairman Delzer closed the hearing on HB 1139.

SAC
2/23/15

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1139

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - DICKINSON STATE UNIVERSITY STUDENT HOUSING. During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of renovating of woods hall and purchasing other properties for student housing near Dickinson state university. If conducted, the study must consider enrollment trends, student housing need, the university system master plan and space utilization study, ability to repay debt incurred for the purchase, and anticipated deferred maintenance costs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

Date: 2-17-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1139

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Schmidt Seconded By Guggisberg

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson		✓	Rep. Boe		✓
Vice Chairman Streyle	A		Rep. Guggisberg	✓	
Rep. Dosch		✓			
Rep. Martinson		✓			
Rep. Sanford		✓			
Rep. Schmidt	✓	✓			

Total Yes ~~0~~ 2 No 5

Absent 1

Floor Assignment _____

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

Do pass -

Motion failed

Date: 2-18-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1139

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: DNP

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Streyle Seconded By Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	✓		Rep. Boe	✓	
Vice Chairman Streyle	✓		Rep. Guggisberg	✓	
Rep. Dosch	✓				
Rep. Martinson	✓				
Rep. Sanford	✓				
Rep. Schmidt	✓				

Total Yes 8 No 0

Absent 0

Floor Assignment Streyle

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

Do Not Pass

Date: 2/23/15

Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1139

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 15.8086.01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By: MONSON Seconded By: Streyle

Representatives	Yes	No	Absent	Representatives	Yes	No	Absent	Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓			Representative Nelson	✓			Representative Boe	✓		
Vice Chairman Keith Kempenich	✓			Representative Pollert	✓			Representative Glassheim	✓		
Representative Bellew	✓			Representative Sanford	✓			Representative Guggisberg	✓		
Representative Brandenburg	✓			Representative Schmidt	✓			Representative Hogan	✓		
Representative Boehning	✓			Representative Silbernagel	✓			Representative Holman	✓		
Representative Dosch	✓			Representative Skarphol	✓						
Representative Kreidt	✓			Representative Streyle	✓						
Representative Martinson	✓			Representative Thoreson	✓						
Representative Monson	✓			Representative Vigasaa	✓						

Totals

(Yes)	<u>23</u>
No	<u>0</u>
Absent	<u>0</u>
Grand Total	<u>23</u>

Floor Assignment: MONSON

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

REPORT OF STANDING COMMITTEE

HB 1139: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1139 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - DICKINSON STATE UNIVERSITY STUDENT HOUSING. During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of renovating of woods hall and purchasing other properties for student housing near Dickinson state university. If conducted, the study must consider enrollment trends, student housing need, the university system master plan and space utilization study, ability to repay debt incurred for the purchase, and anticipated deferred maintenance costs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

2015 SENATE APPROPRIATIONS

HB 1139

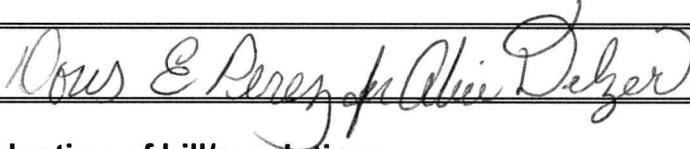
2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1139
3/9/2015
Job # 24512

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study

Minutes:

Attachment #1

Chairman Holmberg called the committee to order on Monday, March 09, 2015, at 2:30 pm in regards to HB 1139. All committee members were present. Brady Larson, Legislative Council, and Nick Creamer, OMB, were also present.

Senator Rich Wardner, District 37, Dickinson, this bill is a study we worked out with the House after we realized we were going to put a kibosh to all buildings until the March 18 forecast. We decided nobody would be left out, this bill is a vehicle, and that is how it came over here. We don't want to study anything; we want to move forward with something. The original bill was to sell revenue bonds to remodel Woods Hall, an outdated women's dorm. They want to do that with \$6.1M. In the meantime, more things came forward, the foundation needs money to pay debt, they own 3 apartment complexes, two next to the campus, the university wants to purchase them, and it will work because they are full, so the revenue will be there. That was added to the Proposed Amendment, Testimony Attached # 1 - now it would be \$11.5M revenue bond we are dealing with. These properties work with the university. We don't know what the future holds; this is a good purchase for the University. We have other properties the foundation owns, called Blue Hawk Square. The question, by Representative Monson, if there is no one in Woods Hall now, how will you pay the revenue bonds? If they move out of Blue Hawk Square they will move in to Woods Hall, there is a difference in pricing. We have the business manager and president here today.

Chairman Holmberg: would there be a version, if this group goes forward and takes a look at 1003, which has some revenue bond issues within it, if this would be folded in, or, if you prefer to pass it standing alone and send over for a conference committee

Senator Wardner: we would like to see it as a standalone bill. . They'd like to get going on the dorm so it is ready next fall.

Senator Carlisle: are we talking revenue bonds?

Senator Wardner: we are talking revenue bonds.

Senator Carlisle we haven't done any bonding, if we even do a hint of a revenue bond, what will stop other entities from saying why not me.

Senator Wardner: we've done regular revenue bonds we haven't done general obligation revenue bonds.

Chairman Holmberg; we have stayed away from the obligation bonds.

D.C. Coston, President of Dickinson State, two issues, lack of contemporary student housing and the initial desire to move forward with renovation for Woods Hall. Several other institutions have renovated buildings; students prefer that type of housing. The other issue has been trying to find reasonably priced housing for faculty and staff. What you have before you is the opportunity to solve both issues. There are 3 apartment facilities we are looking at acquiring, they house our students today, and they are currently owned by Dickinson State University Foundation. We look to continue to have students live in two; the other one is a little further away, a 16 unit complex for faculty and staff, reasonable accommodations and prices. Based on the current rent, we would wait to make the final call, until we have the appraisals, the sale price would be the appraised value per the agreement with the foundation, we would acquire, 0,1 2 or 3 we would like to obtain all three.

Senator Sorvaag: If acquired, do they need to be updated?

President Coston: they are good enough but we will maintain them. We kept them in good repair. The foundation has done appropriate maintenance and upkeep. We have done the preliminary planning on Woods Hall, prior to your approval, the earlier we can get going with that the more likely we can get this done. We hope to occupy it by Mid-August of 2016, regarding the other 3, we would like to have control during the month of April of subsequent year. 2nd on that were that to go through, and revenue starts accruing to the foundation it allows them time to begin handling some of their financial challenges

Senator Carlisle: did I hear you say they haven't been appraised.

President Coston: we have informal estimates; the bond agent would require to bring in the appraiser.

Senator Carlisle: what happens if rents go down in Dickinson?

President Coston: the rents on these properties are about 40-45% of the market rate in Dickinson. Rents could come down and we would still be highly competitive.

Chairman Holmberg we will close the hearing on 1139.

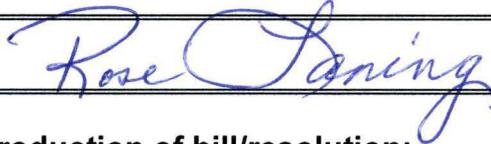
2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1139
3/24/2015
Job # 25368

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of renovating woods hall and purchasing other properties for student housing near Dickinson State University.

Minutes:

Attachment 1

Legislative Council - Alex Cronquist
OMB - Nick Creamer

Chairman Holmberg called the committee to order on HB 1139. Handed out amendment 15.8086.02001 (Attachment 1). This is about Dickinson State University fixing Woods Hall, acquisition of Miller Apartments, Altringer Apartments and Bosch Apartments for student housing. There was a timeline and that's why it has an emergency clause so the project could get going. The funds that are used are local funds; funds that have to be raised.

Senator Robinson moved the amendment 15.8086.02001.
Senator O'Connell seconded.

Senator Mathern asked **D.C. Coston**, if this was ok with him and if this is the way he'd like for his campus to proceed.

D.C. Coston, President of Dickinson State University: We fully embrace, fully support and believe in. Dickinson State faces a challenge as far as the student housing that we have had available in that we had none of what most students today like - more contemporary housing. Most of our incoming students have never shared a room with anyone and they had no intent of starting now. The Woods Hall renovation, which we have been working on would be a renovation to a building we already own. The opportunity to purchase the Miller and Altringer Apartments which would be for student housing, recently arose. These facilities have housed Dickinson State students for more than 15 years. They were owned by the University foundation and managed by the university through the 2011-12 year.

Senator Mathern: I know you support the projects. Will this amendment work well for your university?

D.C. Coston: This manner of doing it works very well for two reasons. The Woods Hall piece - we'd like to be able to occupy by fall of 2016. We have to do the remainder and the planning, the whole acquisition and architectural services bidding in a 10-12 month build out. We're working feverishly with the Dickinson State University Foundation to help them get resolution of their situation. We need to be able to assign students for housing for fall of 2015 and with Altringer and Miller - if we could move that process forward. With your authorization and the authorization of the full legislative assembly, it would allow those negotiations and that process to move forward as quickly as possible for those properties to be retained for student housing. The Bosch Apartments would be primarily for faculty and staff and it would allow us some flexibility in managing some of those other issues addressed in the comments a half an hour ago.

Senator Carlisle: I understand revenue bonds and the concept, and I understand what you're doing? What of an appraisal? There is nothing in the amendment or

D.C. Coston: The agreement with the Dickinson State University Foundation is that as the bonding process moves forward, there would be an appraisal as part of that bonding process. That would become the potential purchase price that either party, the University Foundation or the university can withdraw or participate in the purchase of 0, 1, 2, or 3 of those properties depending on that appraisal. Our anticipation is that total appraisal is going to come in somewhere between \$3.5M-4M and that's why we're looking for this authority and then some local funds to go with it.

Senator Carlisle: Say you don't need all the money, is that going back into the general fund?

Chairman Holmberg said none of this is general funds.

D.C. Coston: This is generated through revenue bonds and we're not going to draw down more bond funding than we need. The appraisal is going to set the prices for each of those three parties. The appraiser would be hired by the bonding agent. It's fair to all concerned.

Senator Sorvaag: You're saying some of the apartment housing would be for faculty and staff because in a couple places in the amendment, it states that you're purchasing it all for student housing.

D.C. Coston: The Miller and Altringer Apartments are immediately adjacent to campus and have housed our students for 15 plus years. The Bosch Apartments is about a mile away from campus and its leased to adults. There are a couple of married students living in there. There are actually a couple of our staff in those apartments now. It would become available as part of our ability to put together a package to try and attract someone to come on to our faculty and staff so the Bosch Apartments, for the foreseeable future, for faculty and staff. The Bosch Apartments might be for married students.

Senator Wanzek: This amendment is going to allow for \$9.6M of bonding, and then the appropriations is \$11.5M. The other \$1.9M, is that coming from the Foundation?

Mark Lowe, Vice President for Finance and Administration, Dickinson State University: The remainder of the purchase price, we do have an \$800,000 appropriation from the oil impact funds from the last session. The rest would be from local axillary reserves - the cash we already have on hand.

Chairman Holmberg: And this gives you the authority to spend it.

D.C. Coston: That's exactly right. Our agreement with the land department on that \$800,000 to which Mr. Lowe referred, is for these projects. So that piece is already in place.

Senator Robinson: This is a move that in the end, is going to be good for both the university and the foundation. The timing is such that the sooner we move on this, the better off we're going to be in both areas.

Voice vote on the amendment carried.

**Senator Robinson moved Do Pass as Amended on HB 1139.
Senator Bowman seconded.**

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator Robinson will carry the bill on the floor.

March 11, 2015

TD
3/24/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1139

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to authorize the issuance of revenue bonds for improvements to Woods Hall on the Dickinson state university campus and for acquiring properties for student housing near the campus; to provide an appropriation for defraying the expenses of improvements to Woods Hall and for acquiring properties for student housing near the campus; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BOND ISSUANCE - AUTHORIZATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 2 of this Act for the following capital projects:

Dickinson state university - Woods Hall	\$6,100,000
Dickinson state university - Acquisition of Miller Apartments, Altringer Apartments, and Bosch Apartments for student housing	<u>3,500,000</u>
Total	\$9,600,000

SECTION 2. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds, bond proceeds, and other income, to Dickinson state university under the supervision of the state board of higher education for the purpose of defraying the expenses of improvements to Woods Hall and to purchase student housing properties beginning with the effective date of this Act and ending June 30, 2017, as follows:

Capital assets	<u>\$11,500,000</u>
Total special funds	\$11,500,000

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment provides for the issuance of \$9.6 million of revenue bonds for improvements to Woods Hall (\$6.1 million) on the Dickinson State University campus and for acquiring properties for student housing near the campus (\$3.5 million). The amendment also provides for an appropriation of \$11.5 million for defraying the expenses of improvements to Woods Hall

(\$7.5 million) and for acquiring Miller Apartments, Altringer Apartments, and Bosch Apartments for student housing near the campus (\$4 million).

Date: 3-24-15
Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES**
BILL/RESOLUTION NO. 1139

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 15. 8086.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Robinson Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*voice vote
Carried*

Date: 3-24-15
 Roll Call Vote #: 2

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1139**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Robinson Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Robinson

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

REPORT OF STANDING COMMITTEE

HB 1139, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1139 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to authorize the issuance of revenue bonds for improvements to Woods Hall on the Dickinson state university campus and for acquiring properties for student housing near the campus; to provide an appropriation for defraying the expenses of improvements to Woods Hall and for acquiring properties for student housing near the campus; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BOND ISSUANCE - AUTHORIZATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 2 of this Act for the following capital projects:

Dickinson state university - Woods Hall	\$6,100,000
Dickinson state university - Acquisition of Miller Apartments, Altringer Apartments, and Bosch Apartments for student housing	<u>3,500,000</u>
Total	\$9,600,000

SECTION 2. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds, bond proceeds, and other income, to Dickinson state university under the supervision of the state board of higher education for the purpose of defraying the expenses of improvements to Woods Hall and to purchase student housing properties beginning with the effective date of this Act and ending June 30, 2017, as follows:

Capital assets	\$11,500,000
Total special funds	\$11,500,000

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment provides for the issuance of \$9.6 million of revenue bonds for improvements to Woods Hall (\$6.1 million) on the Dickinson State University campus and for acquiring properties for student housing near the campus (\$3.5 million). The amendment also provides for an appropriation of \$11.5 million for defraying the expenses of improvements to Woods Hall (\$7.5 million) and for acquiring Miller Apartments, Altringer Apartments, and Bosch Apartments for student housing near the campus (\$4 million).

2015 TESTIMONY

HB 1139

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL 1139

1
3-9-15
HB 1139

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act authorizing the issuance of revenue bonds for improvements to Woods Hall on the Dickinson state university campus and for acquiring properties for student housing near the campus; providing an appropriation for defraying the expenses of improvements to Woods Hall and for acquiring properties for student housing near the campus; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BOND ISSUANCE AUTHORIZATION - PURPOSES.

The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the project authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 2 of this Act for the following capital projects:

Dickinson state university - Woods Hall and acquisition of properties for student housing	\$9,600,000
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SECTION 2. APPROPRIATION.

The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to Dickinson state university under the supervision of the state board of higher education for the purposes of defraying the expenses of improvements to Woods Hall and to purchase student housing properties beginning with the effective date of this Act and ending June 30, 2017, as follows:

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Total special funds	\$11,500,000

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

March 11, 2015

HB 1139
3-24-15
#1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1139

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BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BOND ISSUANCE - AUTHORIZATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the projects authorized in this section, declared to be in the public interest, though the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 2 of this Act for the following capital projects:

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