

FISCAL NOTE
Requested by Legislative Council
04/25/2017

Amendment to: SB 2119

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$2	\$0	\$0
Expenditures	\$0	\$0	\$0	\$124,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

The bill requires a study of Job Service facilities and provides for the sale and lease of the studied facilities. Section 1 will result in expenditures for study completion such as appraisal fees. Section 2 will result in \$2 in lease revenue. Section 3 could result in unknown sale revenue.

- 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 of the bill provides the majority of the fiscal impact. The required study will result in the expenditure of approximately \$124,000 in appraisal fees. Commercial appraisal fees are generally 1% of the property value with a minimum cost for commercial properties of lesser value.

Section 2 of the bill provides for lease revenues of \$2 for the biennium.

Section 3 of the bill could result in revenues relating to the potential sale of the Rolla office. However, no revenues were included as the study will determine the legal sale amount. The amount could range from \$1 to the current fair market value, which could be as high as approximately \$85,000.

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.*

The revenues noted in the 2017-2019 biennium represent the proceeds from the lease of the Rolla facility to Rolette County for \$1 per year.

There is the potential for sale revenue for the sale of the Rolla property, however, a dollar amount was not included as the study required in Section 1 will define federal and state sale amount requirements.

- 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.*

Expenditures noted are the cost of required property appraisals. Federal funds will be utilized to pay for the commercial appraisals. No FTE positions will be affected.

- 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.*

No appropriation is noted.

Name: Darren Brostrom

Agency: Job Service North Dakota

Telephone: 701-328-2843

Date Prepared: 04/26/2017

FISCAL NOTE
Requested by Legislative Council
04/04/2017

Amendment to: SB 2119

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$2	\$0	\$0
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Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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Townships	\$0	\$0	\$0

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Section 1 of the bill provides the majority of the fiscal impact. The required study will result in the expenditure of approximately \$124,000 in appraisal fees. Commercial appraisal fees are generally 1% of the property value with a minimum cost for commercial properties of lesser value.

Section 2 of the bill provides for lease revenues of \$2 for the biennium.

Section 3 of the bill could result in revenues relating to the potential sale of the Rolla office. However, no revenues were included as the study will determine the legal sale amount. The amount could range from \$1 to the current fair market value, which could be as high as approximately \$85,000.

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No appropriation is noted.

Name: Darren Brostrom

Agency: Job Service North Dakota

Telephone: 701-328-2843

Date Prepared: 04/05/2017

FISCAL NOTE
Requested by Legislative Council
02/17/2017

Revised
 Amendment to: SB 2119

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$3,937,422	\$0	\$0
Expenditures	\$0	\$0	\$0	\$25,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

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Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

The bill allows for the sale of property by Job Service. As federal funding has declined, Job Service is seeking cost effective options to continue operations. Property management and maintenance has become increasingly costly and sharing space or leasing facilities may provide cost savings.

- 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.*

Each section of the bill provides a fiscal impact. Revenues noted represent the proceeds from potential sales and expenditures noted represent the commercial appraisal fees associated with selling property. Property values utilized are the insured value as appraisals providing actual current value have not been completed.

Although it is unknown whether property sales could actually occur within the 2017-2019 biennium, all expenditures and revenues were noted within that timeframe.

Federal law requires that federal funds used to purchase real property be utilized by the same program providing the funds in the event of a property sale. The funds would not be returned to the federal government but would be utilized by these programs in North Dakota. The federal funds originally utilized to purchase the property were provided by the Wagner-Peyser program and the Unemployment Insurance program. General Fund dollars were also utilized for a portion of the purchase of the Bismarck Central Office and the Minot Office. The bill was amended in committee to direct the general fund proceeds from the sale of the Bismarck Central Office and Minot Office to the North Dakota Federal Interest Advance Repayment Fund.

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.*

The revenues noted in the 2017-2019 biennium represent the proceeds from the sale of the properties. Revenues shown are the insured value as actual current market value of the properties is unknown. The property value and funding sources along with the percentage allocated to each funding source are as follows:

Rolla - Wagner Peyser 30.675% (\$26,433.63); Unemployment Insurance 69.325% (\$59,739.58); Total Asset value - \$86,173.21

Minot - Wagner Peyser 50.586% (\$463,063.65); Unemployment Insurance 47.111% (\$431,253.54); General Fund 2.303% (\$21,081.63); Total Asset value - \$915,398.82

Central Office - Wagner Peyser 30.673% (\$900,513.20); Unemployment Insurance 10.022% (\$294,230.86); General Fund 59.305% (\$1,741,105.71); Total Asset value \$2,935,849.77

- 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.*

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No appropriation is noted.

Name: Darren Brostrom

Agency: Job Service North Dakota

Telephone: 701-328-2843

Date Prepared: 02/21/2017

FISCAL NOTE
Requested by Legislative Council
02/17/2017

Amendment to: SB 2119

- 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.*

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Revenues	\$0	\$0	\$1,762,187	\$2,175,235	\$0	\$0
Expenditures	\$0	\$0	\$0	\$25,000	\$0	\$0
Appropriations	\$0	\$0	\$1,762,187	\$0	\$0	\$0

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

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Federal law requires that federal funds used to purchase real property be utilized by the same program providing the funds in the event of a property sale. The funds would not be returned to the federal government but would be utilized by these programs in North Dakota. The federal funds originally utilized to purchase the property were provided by the Wagner-Peyser program and the Unemployment Insurance program. General Fund dollars were also utilized for a portion of the purchase of the Bismarck Central Office and the Minot Office. The bill was amended in committee to direct the general fund proceeds from the sale of the Bismarck Central Office and Minot Office to the North Dakota Federal Interest Advance Repayment Fund.

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

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The appropriation of the general funds noted reflects the amended bill language directing the proceeds of the sale of the Bismarck Central Office and Minot Office to the Federal Advance Interest Repayment Fund.

Name: Darren Brostrom

Agency: Job Service North Dakota

Telephone: 701-328-2843

Date Prepared: 02/17/2017

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Revised
 Bill/Resolution No.: SB 2119

- 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.*

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No appropriation noted.

Name: Darren Brostrom

Agency: Job Service North Dakota

Telephone: 701-328-2843

Date Prepared: 12/29/2016

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Bill/Resolution No.: SB 2119

- 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.*

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Federal law requires that federal funds used to purchase real property be utilized by the same program providing the funds in the event of a property sale. The funds would not be returned to the federal government but would be utilized by these programs in North Dakota. The federal funds originally utilized to purchase the property were provided by the Wagner-Peyser program and the Unemployment Insurance program. General Fund dollars were also utilized for a portion of the purchase of the Bismarck Central Office and the Minot Office. Job Service is requesting the ability to retain these funds resulting from the sale of these two facilities in order to assist in future lease costs, renovation of leased property, and other costs associated with the property sales and subsequent transition to more cost effective facilities.

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The appropriation amount listed is not a request for new general fund dollars but a request to retain and utilize the proceeds of the sale of property for which general funds were utilized at time of purchase. These funds would be used by Job Service to pay moving costs, future lease costs, renovation of leased property and other similar charges incurred as a result of the property sale and subsequent transition to more cost effective facilities.

Name: Darren Brostrom

Agency: Job Service North Dakota

Telephone: 701-328-2843

Date Prepared: 12/29/2016

2017 SENATE APPROPRIATIONS

SB 2119

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2119
1/24/2017
Job # 27265

- Subcommittee
 Conference Committee

Committee Clerk Signature

Sandy Baumgardner for Rae Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act authorizing the state of North Dakota acting through job service North Dakota to sell certain property; and to declare an emergency.

Minutes:

Testimony Attached # 1 - 2.

Legislative Council: Levi Kinnischtzke

OMB: Stephanie Gullickson

Chairman Holmberg called the committee to order on SB 2119. Roll call was taken. All members were present.

Sub-committee: Senators Krebsbach, Oehlke and Mathern.

Cheri Giesen, Executive Director, Job Service North Dakota

Testified in favor of SB 2119. Testimony Attached # 1.

This bill would allow us to sell those buildings and what isn't in this bill draft, and that we learned afterwards, is that if we sell that building, the federal law says we have to provide back to the funds that built or bought the building. In regards to the buildings, there was general funds that were actually used to build these buildings. I can give you the percentages if you are interested in it. I am asking for an amendment to this bill that would allow us to keep any proceeds from the sale of that building. There would be general funds involved with this if we sold it. We would want an amendment, so we can keep those funds and will have one-time costs when going to a different building to get that facility up to speed. To reduce our on-going costs, we would like to have the ability to spend that. We do have an account. It is called the Fair Account. It allows us to be able to expand operational costs out of there. The bill draft is for us to put these proceeds from the sale of this building into that Fair Account. Then we would be able to use it for operational costs, if we get the other bill passed during this session. If we don't get the other bill past that allows us to spend the Fair Account for administrative, we can still use the Fair Account to rent or for building upgrades and travel costs. It does give us some flexibility if we move that into that fund. It is not the goal to close the Minot office.

Handed out **bill draft** – Testimony Attached # 2.

Chairman Holmberg: Did you do an evaluation of the Fargo office? I understand that is some pretty good property.

Cheri Giesen: We have the authority to sell the Fargo office. It is already in legislation that we could. That building is capacity. It's appropriate for the traffic. It is walkable. The Minot office is not where people can walk to it who don't have a car. That location is good in Fargo, and we're using every square foot of the building. We have only so much staff to work on these two projects. The other two have more costs to move out of them because we have so many extra square footages.

Senator Mathern: I 'm wondering about the Rolla location. The highest unemployment in the state is in that county. What's the consequence when there is no service there regarding jobs? I am a little bit concerned that, are we penny wise and dollar foolish by saving some money? But then a lot of people will be not being getting to work.

Cheri Giesen: It was a tough decision. The building itself was paid for. If no additional funds are available for operate the salaries, then we couldn't keep that location open. We did look at traffic patterns into these buildings before we made decisions and where to close. We also looked at the number of case management load in each of these locations that we closed. We did do it in the locations that probably didn't have the traffic or case load. Unless there are additional funds coming to Job Service for staffing, to hold on to these buildings and vacate them doesn't make sense either.

Senator Mathern: Do we do anything like partnership with the tribe? Any possibilities of bringing services back? We don't employ people in that area. The people show up in our prisons, and hospitals and other places. Is it our responsibility to develop some services, and put some money into it?

Cheri Giesen: Devils Lake and Minot are doing extensive outreach in those area. They are doing what they can to have outreach in those areas, actually traveling to those communities.

Senator Hogue: In the Minot office, it could be moved because people can't walk to it. Your argument seems to be that there is operational efficiency. Is the building in such as state of disrepair that the cost of maintaining it would be more than paying rent on a for-profit entity that wants market rates?

Cheri Giesen: We do have almost 17,000 sq.in that building with only about 7 people in it. Building changes may be done because updates haven't been done since it was created. There are costs to maintain a building. We need to do the cost benefit analysis.

Chairman Holmberg: Do you lease out or do you use the whole building.?

Cheri Giesen: In the Minot office, we have 5700 feet rented out.

Chairman Holmberg: You also rent out in Grand Forks.

Senator Robinson: 14:10) If we closed and sold Grafton, would that put us in a situation where we could refocus efforts on the Rolla area. I know you work hard in outreach. We have

that in our area and we're struggling with it. It's not the real answer. What are your needs in Bismarck? Are there other areas you could move into? Is there a possibility there?

Cheri Giesen: Absolutely, OMB has been working with us and know some of the options for us. We do have space in our local office on Century Avenue. Part of the staff would go in there and we wouldn't have to lease. That would be another option for us.

Senator Grabinger: There are options available. Have they offered any suggestions about renting facilities downtown? It seems strange to me that we're at capacity in Fargo office, and yet unemployment in Fargo is way down where we have the serious need for job service would be up in Rolla which is our worst area. And yet that is where we are going to close the office. It seems to be going backwards.

Cheri Giesen: We are seeing a large group of walk-ins. The traffic print in Fargo is the largest by far. We have a contract with DHS to help facilitate the people on food stamps and get them back to work. Caseload is higher there. This information helps us decide where our staffing should be located throughout the state. We are working with the AG's office for location finalizing the spacing requirements. We have a computer department.

Chairman Holmberg: Closed the hearing on SB 2119 and have subcommittee look at that.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016 and SB 2119
2/1/2017
Job # 27705

- Subcommittee
 Conference Committee

Committee Clerk Signature

Carrie Winings for Althea Schydt

Explanation or reason for introduction of bill/resolution:

A Subcommittee Hearing for Job Service

Minutes:

- 1.SB 2016 Base Level; Funding Spreadsheet
- 2.SB 2119 – Proposed Amendment # 17.8076.0100
- 3.Cover letter from Levi Kinnischtzke and copy of deed

Chairman Krebsbach: Called the subcommittee to order on SB 2016 and SB 2119. All committee members were present: Senator Oehlke and Senator Mathern. Adam Mathiak, Legislative Council and Becky J. Keller, OMB were also present. Job Service – Cheri Giesen, Executive Director, and Darren Brostrom, Deputy Director, and Nicole Assistant Finance Manager.

We will go into Bill 2016. In reviewing the spreadsheet, I will ask Adam to explain the sheet.

Adam Mathiak, Legislative Council: See Attachment #1- Base Funding – Job Service ND Budget No. 380 – a spreadsheet explaining the changes to Dalrymple Budget, the Senate Version and the Senate Changes to Executive Budget. (Walked through the spreadsheet.)

(2:55) Senator Mathern: What is workforce 2020 that we would be eliminating if we adopted this proposal?

Cheri Giesen: It is a program that is funded for employers, specifically more in manufacturing. A manufacturing company that has new technology can prepare an application to us and we will fund that training that is needed to run that new technology. We do have a good split between new employers and existing employers in the last couple of biennium who have used the program. Typically, they have to show that they are going to be training on something new in their company. It is not something existing and has to be technology driven.

Senator Mathern: Are we paying for the training costs or are we paying part of the wages that the people get while they are in training?

Cheri Giesen: We do pay for the training itself. The company itself that is offering the training has to have a 50% buy into that training as well. They can use hourly wages to help with that 50%.

Senator Oehlke: Staying on 2020, the testimony for the Economic Development Association of ND talked about how important it is for them, do you partner with the four quadrants in North Dakota where the colleges provide workforce training? Do they receive some of that 2020 money?

Cheri Giesen: Most of the training would come from MEP manufacturing.

Senator Oehlke: (Gave an example.) Do you help pay for part of that when they are actually doing it?

Cheri Giesen: We don't see contracts dealing with that training with those providers. Because this is very specific to the manufacturing line. It's typically training seen from the vendor that supplies that. There is usually a computer and the technology that runs that piece of equipment that they need training for. They are not going to that college to look for people. The only one we see is Wayne Manufacturing and that is a concept of manufacturing and running more with less. There are companies that specialize in that arena but they typically hire to come in and do that assessment and train the people on being more efficient with what they have.

Senator Oehlke: So, where LRSC, to make their effort work, will try to get 20 or 30 people to train all at once; this sounds like you would do it for an individual employer. Would you see the wisdom in cooperating with others and have them help do that?

Cheri Giesen: Yes, the manufacturing companies would come together. I am just looking back at the applications that we had. You have a range of manufacturers that the equipment is not the same. If it were a similar type of training maybe you could get into that.

Chairman Krebsbach: There have been other instances besides manufacturing where this training has been done, has there not?

Cheri Giesen: Yes, there are a few but they are mostly technology driven companies.

Chairman Krebsbach: Are there not federal dollars available for some of these training programs as well.

Cheri Giesen: I am not aware of any federal dollars that we could use to do this same training. We get training dollars that an individual has to be at a certain income level and then we send them to training. If they are on food stamps, then we pay for them to go to training. There is nothing that we would pay an employer.

Chairman Krebsbach: Asked the committee if there were any additional questions.

Senator Mathern: I am hoping that we can just review the amendments that were brought to us and that we can adopt them and act on them. I think this agency is under considerable

stress in light of the reduction of staff and anything we can do to get their budget through here so they can do their work, I think we should try to expedite.

Chairman Krebsbach: I do not believe we have any amendments on SB 2016. It is on SB 2119.

Cheri Giesen: Transparency is everything, and I want to make sure that we did not put the oil and gas report; it was \$80,000 a biennium, but we did that report one for each year, that report just reminds you how it was used to determine the hub city, and then that determines any payment out for hub cities. Our thought is that there will probably not be payments of the hub city concept, so if that is true, then you would not want us to pay \$80,000 for a report that maybe would not be utilized. I want to make sure that you have that whole awareness that this budget that is proposed by both Dalrymple and Burgum does not have that \$80,000 in them for that study so we wouldn't be performing that study. That would have been a line item in our salaries as general fund. You won't see it because we did not submit it and it is not a part of their budgets. We cut that ourselves.

Chairman Krebsbach: And that is because you do not anticipate to have to do that portion that you did in that previous biennium?

Becky J. Keller, OMB: It was one-time funding and so it was taken out and not put back in. We did not really talk about how that would change or how it would affect the hub city funding. So if you want to put it back in, it would just be part of your amendment to this budget.

Chairman Krebsbach: The hub city is something that has not been passed as of yet. Would it be wise to do something until such time that it is or do we do something in anticipation?

Becky J. Keller: I am not sure what legislation you are talking about regarding the hub cities. The only legislation that I have seen, is that it would actually increase funding for the hub cities. I have not seen anything that takes it out.

Adam Mathiak, Legislative Council: Starting the 13'-15' biennium there was money provided to job service to study oil and gas related employment. They already compiled information for federal purposes on mining employment. So, they did the study and the work in the 13'-15' biennium. In the 15'-17' biennium the oil formula was based on that oil and gas related employment. The one-time funding was provided to them to continue updating that information. The oil formula that was passed in the 15' session just had it so that it was oil and gas employment during the 15'-17' biennium and after that it would revert back to the mining employment. So mining employment data is data they already have on the federal level. At this point, both of the proposals that were done in HB 1075 in the Dalrymple budget, did not make any changes to continue using oil and gas related employment so there it would revert back to mining employment. It would be the same thing with HB 1366. That one does not continue to use oil and gas related employment, but it rather it goes with the current law that provided for it to be mining employment. There would not be a need to provide that additional money. The thing would be to watch what happens with the oil and gas formula and if it does go back to oil and gas related employment, then you would need to add that funding back in. During the 13'-15' biennium that money for job service was included in the

oil formula bill so that could be done. It would not have to go right into their appropriation bill. At this point it is a watch and see what happens.

Chairman Krebsbach: The important thing is if that criteria should be changed to include the oil and gas in that funding.

Senator Oehlke: the \$80,000 was mainly for people to gather the information?

Cheri Giesen: That is correct.

Chairman Krebsbach: I believe you have the information on those jobs – the mining?

Cheri Giesen: Yes, we do have it at the mining level.

(16:45) Chairman Krebsbach: (Moved on to SB 2119.) We have the Bill as it stands for the authority to sell the Rolla job service office and perhaps they could change, either through sale or lease, of the Minot and Bismarck operations. There is a proposed amendment to this bill, basically indicating that the general fund proceeds must be deposited in the job service federal advanced interest repayment fund. The amendment is 17.8076.01011. The only thing I was questioning on that is the title adopted by the IBL committee. It is dated January 25th. It would have been impossible for them to adopt because we heard the bill on the 24th and had possession of the bill. I am not sure if that title needs to be changed. It is pretty clear what the intent is and by putting it in the federal advance payment, does that give you access to any of that money or what happens to it?

Cheri Giesen: We have a bill that is on the House side to authorize us more spending authority for our administrative and technology purposes. Although I do probably see some of these funds, not in the Rolla instance, but if we would sell the other buildings because we would need to rent somewhere else. We may need the money to upfront some reconstruction of the building we get into to bring our lease down.

Chairman Krebsbach: Questions from the committee?

Senator Oehlke: Moved amendment 17.8076.0100.

Senator Mathern: Seconded.

Don: To clarify, I believe that this amendment, in order to save time with legislative council and to be clear, probably used a template of a prior amendment and that it why it says IBL and that would indicate why that numbering is on there. In order to get an appropriate number and to make sure it is clear, it should probably go through legislative council to create the amendment and numbered appropriately.

Chairman Krebsbach: I think that is a good idea and I do not know that we need to, as a subcommittee, adopt them. I think the committee as the whole can adopt them. We can recommend it.

Senator Mathern: The whole committee would want us to have done the home work. We need the correct number and wording.

(The amendment was put on hold in lieu of getting it corrected and bringing it to the whole committee.)

Chairman Krebsbach: There was question concerning the deed on the Rolla property. That was brought forth by a representative from the House. Levi did check into it and he has answered me quite thoroughly on it so I will send this to the whole committee. Are there any comments on the remarks from Mr. Levi. (Reads from e-mail) Testimony attached # 3. Email letter from himself to Chairman Krebsbach and a copy of the Warranty Deed of sale. He indicates that there might have been a confusion on that, but the deed for the building in Rolla is owned by job service.

Cheri Giesen: We do have the deed. When we pulled the deed for the Grafton office, none of us knew that the land was gifted to job service when they built it and in the deed it was stated that the Department of Human Services gets the first option to purchase that building minus the value of that land back and the DHS has a bill in because they had a donation of funds that can only be used in the Grafton area. So they have the funds and won't need general funds to purchase it.

(22:54) Chairman Krebsbach: So job service would be the beneficiary of the dollars received on the building only, not the land?

Cheri Giesen: Yes, in Grafton. (Asked time to review the spread sheet.)

(23:55) Becky J. Keller: (Explained the spread sheet - Attachment #1)

(24:25) Cheri Giesen: This fund is sitting there with a balance that we can expend all of it. We have to make a determination of how much salary and how many contractual dollars will be used. That is not a given dollar amount for each category. We just have to estimate. Our real concern is that we have, even though we will not be giving the 1% to someone that may be charging to this, we would charge an extra hour because we want to expend that fund. We can use that funding for a contractual amount - for additional staff hours.

Becky J. Keller: my question would be then when we did the executive recommendation and we added in funding to the Reed Act line for comp and health, did you have that money available? Should we not have put it in that line?

Cheri Giesen: Our belief is that we would have that funding available in the Reed Act as a balance.

Becky J. Keller: The base request for the Reed Act line was \$11.2 million, and we added the \$13,203. It doesn't matter to me what you do with the line or anything but I am a little confused as to why we would be ok adding the 1% and not taking it back out.

Chairman Krebsbach: The Reed Act dollars are to be used only for salary? She was told no.

Cheri Giesen: It is for the modernization of the computer system.

Chairman Krebsbach: So your salaries actually come from a different fund from the federal government, correct?

Cheri Giesen: This is true.

Chairman Krebsbach: So it does not have anything to do with the Reed Act. Do you have a specific dollar that you can spend from the Reed Act?

Cheri Giesen: (To Becky) What would be the total then if we subtract 1.46?

Becky J. Keller: The base request you submitted actually had a \$1.2 million reduction which brought your base Reed Act number to \$11.2 million. By taking out that additional 300 and some it is just going to drop your number down about \$3000 less. I am not sure where the 1.4 comes from, unless it is taking out the health insurance.

Cheri Giesen: I would be good with the 1.2 reduction. It scared me when I saw 1.46.

Becky J. Keller: I cannot tie out to that 1.46 either so I will have to work it out and get back to you.

Chairman Krebsbach: Recessed the subcommittee hearing on SB 2016 and 2119 and we will finalize it when you get it all completed.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2119 Subcommittee
2/14/2017
JOB # 28324

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for Job Service regarding sale of property through Job Service.

Minutes:

1.Amendment # 17.8076.01001

Chairman Krebsbach: called the Subcommittee to order on SB 2119. Let the record show that all three members are present: Senator Oehlke and Senator Mathern and myself. Lori Laschkewitsch, OMB and Levi Kinnischtzke, Legislative Council were also present.

Levi Kinnischtzke, Legislative Council presented attachment #1 Amendment # 17.8076.01001 and explained the amendment.

Senator Mathern: moved the adoption of the amendment. 2nd by Senator Oehlke.

Chairman Krebsbach: had questions regarding the Grafton project. She was informed that the agency was ok with the Grafton project. She then accepted the motion from Senator Mathern and the 2nd from Senator Oehlke.

Chairman Krebsbach: Call the roll on the amendment.

A Roll Call vote was taken on the amendment. Yea: 3; Nay: 0; Absent: 0.

Senator Oehlke: Moved a Do Pass as Amended. 2nd by Senator Mathern.

Chairman Krebsbach: Call the roll that we adopt the amended bill # 2119.

A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0. It carried. The subcommittee hearing was closed on SB 2119.

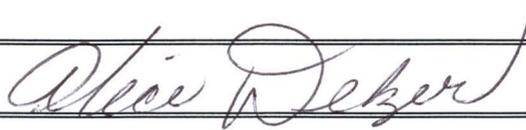
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2119
2/16/2017
JOB # 28433

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A DO PASS AS AMENDED on Job Service Property Sale

Minutes:

1. Proposed Amendment # 17.8076.01001

Chairman Holmberg: called the Committee to order on SB 2119 at 9:15 am in the Harvest Room. All committee members were present. Alex Cronquist, Legislative Council was also present.

V. Chairman Krebsbach: Moved # 17.8076.01001 Amendment. 2nd by Senator Mathern.

V. Chairman Krebsbach: explained the amendment and stated that Job Service has gone through tremendous changes. This bill gives them the authority to do something different with the properties.

Chairman Holmberg: You have the deed? He was told yes. Call the roll on amendment # 17.8076.01001.

A Roll Call vote was taken on the Amendment. Yea: 14; Nay: 0; Absent: 0.

V. Chairman Krebsbach: Moved a Do Pass as Amended. 2nd by Senator Mathern.

Chairman Holmberg: Discussion? Call the roll on a Do Pass as Amended.

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0. Senator Mathern will carry the bill.

The hearing was closed on SB 2119.

February 16, 2017

CM
2/16/17

PROPOSED AMENDMENTS TO SENATE BILL NO. 2119

Page 1, line 11, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Page 1, line 18, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Page 2, line 2, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The amendment provides for the deposit of \$1,762,187 from the net proceeds of the sale of three Job Service North Dakota properties into the job service federal advanced interest repayment fund rather than the general fund.

Date: 2-14-17
 Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
 BILL/RESOLUTION NO. 2019

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: Amendment #17.8076.01001

- 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 Sen. Mathern Seconded By Sen. Oehlke

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	<input checked="" type="checkbox"/>	
Vice Chair Krebsbach	<input checked="" type="checkbox"/>		Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer					
Senator Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke	<input checked="" type="checkbox"/>				
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

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

Date: 2-14-17
 Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2119**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: in the Bill as amended

- 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 Sen Oehlke Seconded By Sen Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	<input checked="" type="checkbox"/>	
Vice Chair Krebsbach	<input checked="" type="checkbox"/>		Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer					
Senator Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke	<input checked="" type="checkbox"/>				
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

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

Date: 2-16-17
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2119**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.8076.01001

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 Krebsbach Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mather	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment _____

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

Date: 2-16-17
Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2119

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 Krebsbach Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mather	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Mather

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

REPORT OF STANDING COMMITTEE

SB 2119: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2119 was placed on the Sixth order on the calendar.

Page 1, line 11, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Page 1, line 18, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The amendment provides for the deposit of \$1,762,187 from the net proceeds of the sale of three Job Service North Dakota properties into the job service federal advanced interest repayment fund rather than the general fund.

2017 HOUSE APPROPRIATIONS

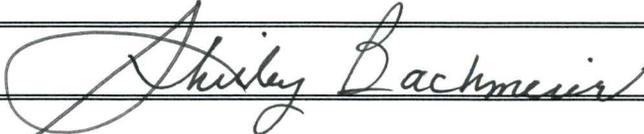
SB 2119

2017 HOUSE STANDING COMMITTEE MINUTES

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

SB 2119
3/13/2017
29078

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

An act to authorize the state of North Dakota acting through job service North Dakota to sell certain property; and to declare an emergency...

Minutes:

Attachment 1

Chairman Monson: Called the meeting to order on SB 2119, job service public property sale.

Cheri Giesen: Executive Director of Job Service of North Dakota: (Attachment 1) I am here today in support of SB 2119. 2:25-3:50

Chairman Monson: You have already closed the Rolla office; is that just sitting there vacant then? As far as Minot and Bismarck, you are still in those buildings; they are not full? Have you thought of renting out space rather than pay rent to someone else.?

Director Giesen: That is correct for the first two questions. We do rent out about 5,700 sq.ft. in the Minot office. We rent it out to different partners in Minot. But there still is vacant space. We do not want to be paying out money where it is not necessary.

Chairman Monson: Facilities management would take care of renting that, you wouldn't have to worry about the leasing because it is a state-owned building.

Director Giesen: Job Service owns that building, not the state. The contract is with us so we are responsible for collecting rent and maintenance of the building that is taken from our funding.

Chairman Monson: The entity that owns that is Job Service of North Dakota?

Rep Boe: It occurs to me that Facility Management should be the owner or the caretaker of the building and lease the space that is needed by Job Service back to them.

Director Giesen: That is one of the options we would pursue. Maybe we can potentially sell it to the state North Dakota.

Chairman Monson: I have not had a situation like this before me. In the case of many agencies that occupy a state-owned building, they are expected to, within their budget, pay the upkeep and deferred maintenance repairs and so on.

Rep Boe: How much is it costing to have the Rolla office vacant?

Director Giesen: We had the utilities shut off and we do have side walk and snow removal costs.

Chairman Monson: Do you have numbers for that?

Director Giesen: I don't have the numbers at this time but will get them to you.

Rep Schmidt: The central office pays 80%; unemployment insurance paid 10%, the general fund paid 60%. The asset value was \$3 million dollars. So if we would sell the fund, the building, the general fund would be about \$1.7 million. The way I look at it if the state owns 60% of it why couldn't they pay off the other entities. For 40% of it's worth, that would be a great buy for the state.

Director Giesen: The asset is valued at \$2.9 million. If we sold it the general fund would be \$1.7 million for that central office.

Rep Boe: What was the dollar amount at the date of purchase and the costs of investments we made in that building.

Director Giesen: Our investment to date: We would have to look at statues and see how it is defined.

Chairman Monson: So if we paid say, \$2 million originally and now its appreciated to \$3 million would the feds get 30% of their investment or 30% of the proceeds of the building? When improvements were made did the 30% entity kick in for those improvements?

Director Giesen: My understanding is that it came out of the Fair fund.

Chairman Monson: I'd hate to sell a building that the state might need in a couple of years and then they spend much more to replace it.

Director Giesen: Our renter wants to continue renting and we would lease back.

Chairman Monson: When repairs and improvements were made, did this 30% entity kick in.

Rep Boe: In your analogy, if you had family members involved with your entity but it was filed in your name, they wouldn't have anything to do with it.

Chairman Monson: That's correct. If it is in the state's name, they are responsible for the upkeep and everything to do with it. We won't kick this out, we still have questions. We close the hearing for SB 2019.

2017 HOUSE STANDING COMMITTEE MINUTES

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

SB 2119
3/16/2017
29323

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill authorizing the state of North Dakota acting through Job service to sell certain property; and to declare an emergency.

Minutes:

1 attachment

Chairman Monson: We are hearing we have 2016 in budget and SB 2119 which we have heard on Job Service North Dakota has a desire to sell 3 buildings in Rolla which Rep. Boe passed out an amendment.

Levi Kinnischtzke: LC; In talking with the council about the amendment written for Rep. Boe, that would be sufficient but job service thought additional language might be needed in order to make sure they are exempt from 2 sections Century Code. To be safe an additional section would need to be added to the bill as amended by Rep. Boe just to include sections 54-01-05 .2 to also stipulate that provisions of this don't apply to that particular section of code. Right now the bill will stay the provision 54-01-05.5 don't apply to the sale of conveyance in section one of the bill.

Chairman Monson: There are three buildings we are talking about here. Rolla, Minot, and Bismarck.

Rep Boe: I move amendment 17.8076.02001 with the addition of those Century Codes that Levi Mentioned.

Rep. Martinson: Second.

Rep. Boe: My amendment would amend the bill to allow for the sale of the transfer of the Rolla Job service building on main street to the county of Rolette for the sum of \$1.00

Cheri Giesen: Director Job Service: (attachment 1) (4:20) You asked for the information about the proceeds I think the issue here is the federal statute that talks about proceeds we should have an attorney look at it and I want to be sure that we are in compliance.

Chairman Monson: It looks like \$86,174. 21 was the total cost of the building plus the remodeling for you to get in there and start using it in 1987- 1988. The state doesn't depreciate out like a business would.

Rep Schmidt: When the federal government puts in a \$1.00 and you want to get rid of it you have to get that \$1.00 and put it back?

Cheri Giesen: Put it back where it came from and split it up that way. It is the 36 %

Chairman Monson: The first money they put in must have depreciated out to 0. This is for lawyers. We could withdraw the motion.

Rep Martinson: Couldn't we lease the building for a 99-year lease?

Cheri Giesen: We don't have the staff up in that area right now.

Vice Chairman Streyle: When I leased a building the owner was responsible for everything. It's easy to do.

Rep Boe: Can we transfer the undepreciated debt to another building? IF we leave this building sit there for 10 years this will recapture is peanuts?

Chairman Monson: (13:55) A roll call vote was taken. Yea: 7 Nay: 0 Absent:0 motion carried

Levi: The motion was to approve this amendment along with the additional section in the Century Code that I mention when I talked to John about and then the committee would like me to talk with john and his staff regarding the ability to sell it for \$1.00.

John Boyle: Director of Facility Management for ND: (19:17) The Attorney General's office needs some space in seven different locations in Bismarck. 99% of them are paid from the general fund dollars at a cost of at an average of \$17.00 a square foot.

Chairman Monson: How many square feet does the Attorney General rent now?

Director Boyle: It is approximately 45,000 square feet of space. If the whole thing came together the state would save 1.2 million dollars a biennium.

That building needs upgrading so there would be a cost even though their saving would be \$12.00 square foot per year there would be a cost associated on the building up keep. We are already going to move a portion of the Attorney General's office to the 4th floor that would save \$12.00 a square foot on 8500 square feet of space. The Attorney general already owns a building.

Chairman Monson: Who does the upkeep on the crime lab?

Director Boyle: They take care of it themselves.

Chairman Monson: So what is left on depreciation on that building in Rolla?

Director Boyle: Nothing. It would all be depreciated out by now.

Chairman Monson: All I see that might be left is the furnace from 2003 and lights?

Director Doyle: For accounting principles I can't imagine that being more than 15 years. That is anything left to depreciate.

Cheri Giesen: (24:51) We've been working with John Doyle for quite a while We do have the situation with the computer room and that is why choose to lease out to them and get then in there. We no longer need a computer room. We are definitely amenable to working with the Attorney General office if they own it. The main floor needs to be renovated. The 1.7 million dollars that I talked about that the general fund put in it, we learned that was in 2001 so when the building was built the general funds did not put in any money in it. In 2001 there was a law suit we got the money and put it into the appropriation to use.

Chairman Monson: So you don't have a building to move in to?

Cheri Giesen: No Only in the Bismarck office.

Chairman Monson: (28:38) Can you get your and John Boyle's plan on paper? Can you get something in writing for us?

MINOT: What is your reason to get rid of the building in Minot? There are 17,000 square feet in that building and we are leasing out about 57,00 and we have 9 people in that building. So we have a huge access of space in that building about, 2,400 square feet.

Vice Chairman Streyle: (31:46) There is a desire by the city to build an insurance services building until they can make that work through that federal resiliency grant they don't have any local dollars to do that.

Cheri Giesen: My understanding is they are looking at the St. Joes building. The other thing is they are looking at Attorneys Generals office.

Director Boyle: It is the Bureau of Criminal investigation office. I know the planner is going to walk through the space this week.

Chairman Monson: The Attorney General would rent the excess space. Does he have that rent in his budget?

Director Boyle: This would be less rent than what they are paying now.

Chairman Monson: We have a potential study on Minot, we have an amendment on the Rolla building. Lets close the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

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

SB 2119
3/21/2017
29562

- Subcommittee
 Conference Committee



A bill authorizing the state of North Dakota acting through Job Service to sell certain property; and to declare an emergency.

Minutes:



Chairman Monson: called the meeting to order.

Vice Chairman Streyle: I think we need to study the sale of all 3 of the buildings. I'd like to see an amendment that the attorney general can lease base up to 6,000 square feet in the Minot building and shall lease the entire building in Bismarck. They are either going in there or on the fourth floor right now. We need to provide some money for them to transition to their regional center and renovate that how they need be. Getting the attorney general's 6 buildings in Bismarck into one building would save a little over a million dollars a biennium. The intent would be, depending on what the study is, that we buy the building in Bismarck and potentially the one in Minot and whatever we do with the one in Rolla. If it were renovated properly, there would be enough space in it.

Chairman Monson: You are saying we would put some money into renovating the Bismarck building, and Job Service would move out of that building and AG's Office would move into that building? Then we would have to renovate another building in town where Job Service would locate?

Vice Chairman Streyle: Basically get all the AG's satellite offices around town put into one building would save over a million dollars a biennium at \$6 and some per square foot. I don't think we need to necessarily appropriate money to renovate, because their savings alone is way more than they need to renovate any of the buildings. Of course, they would need secure facilities, etc. for BCI so that might cost extra. The same thing up at Minot. That would need to be a secure evidence facility because of the nature what BCI does. We will study them in the interim with the intent that we would buy them, and they would be under facilities management going forward. Let's start with moving Job Service to another building. They are going to need money in their budget to renovate that building a little bit so they can fit their entire staff in that building. I don't know what that number is.

Chairman Monson: Job Service would still be the landlord of that building here in Bismarck? Job Service will still own it, and Attorney General will pay a fair lease amount to Job Service?

Vice Chairman Streyle: Correct. I don't know what that dollar amount is. The number of \$6 and some was floated. Leases around town range from \$14 to \$17 right now. The one in Minot is around \$10.82. They may need a little more space in Minot. This would give them the space and is a good location. The space isn't being utilized now. If Job Service would leave that building in Minot, there would be extra space of 5,000 or 6,000 square feet. If HP were interested in that building, they would fill that building up along with the tenants they already have now.

Chairman Monson: We get Cheri out of the landlord business and put John Boyle in charge. The revenues would flow into Job Service's coffers. That would be the Bismarck one. What do you have on the Rolla one.

Rep Boe: We don't have anything going. I thought we were going to be able to transfer for a dollar, and now we found out we can't. We need to recoup some federal funds. We need an appraisal on the building which can't be done in a timely fashion. We will have to go to a lease to cover the heating, maintenance bill, or study it for two years.

Chairman Monson: To me the Rolla building is worthless as it sits. It is costing Job Service ND money to heat it. It is a worry and nobody is using it. When it is sitting there empty, it's costing us money. I think it has 0 value. A building in Rolla that was built in the 60's, the location is such that it isn't worth much to anybody except possibly Rolla, the county, or something. To me lease it for a buck and you don't have to pay the heat and we study it for 2 years.

Rep Boe: It is only an issue if the feds make it an issue, and it seems to be an issue. The lease is the way we are probably going to have to go.

Chairman Monson: You can't expect Rolette County to do repairs or remodel if they have it for only two years.

Rep Sanford: Is it possible that you are going to study it and you get an appraisal and they see they are ready to go for a dollar or whatever amount that you could give authority to close the deal if it went through Budget Section?

Chairman Monson: Levi Kinnischtzke can you write up some language to that effect?

Levi Kinnischtzke: I'm pretty sure we can.

Rep Sanford: I think it would give you an opportunity to employ a couple of Senators (Hoeven and Heitkamp) to do some negotiating.

Chairman Monson: Regarding Minot your idea, Rep Streyle, would be to study it, unless we could get language to make a transfer happen at Rolla before the next two years, that would benefit everyone including Job Service, the federal government, the state, and all the other agencies you have in mind.

Vice Chairman Streyle If they were to vacate there, they would have 12,000 excess square feet, and the Attorney General does not need that much. They would need 6,000. If you

moved HP in there, then the building is completely full, and it makes sense to have those two entities in the same building. HP, however, has a \$4 and some lease, so it is incredibly cheap. With the Attorney General being in at \$10.82, we'd have to have language in here to not fund that, therefore, breaking that lease. If you did it at \$6 at 6,000 square feet, it is pretty close to a wash. They would have to find \$10,000 in their budget, because the difference isn't quite 50%.

Chairman Monson: The building at Minot does have value. If we involve John Boyle again, he could work out all the details between HP, Attorney General, and Job Service ND. We'd have a different amount of money there.

Cheri Giesen, Director, Job Service: The intent of this was to keep my operating expenses to that end. Right now we do not need anything in statue to lease. We are working well with the AG's Office that has been on our 4th floor. I'm all for studying.

Chairman Monson: What is your intent in Minot? If John Boyle and Rep. Streyle can come up with a plan here that says AG and HP are going to move into your building and you are going to move out and find a different building, is that correct?

Cheri Giesen: I thought both of them could actually fit in there with us. All 3 of us would fit in it so we wouldn't have to vacate until we sell it.

Chairman Monson: If you want to sell it, we would put study language in here that gives you two years. This study means the appraisals are done, the prices are settled, etc. I don't see this as a legislative management study.

Vice Chairman Streyle: Why don't we put in language that it is the intent that the Attorney General, HP, Facilities Management, and Job Service work together on leasing their available square footage in Minot, and then they can figure it out? In two years if we buy that, so be it. If we don't, that is fine too. Regarding Bismarck, you could move to your other building and house everybody over there. What would you need to renovate the Bismarck building?

Cheri Giesen: We would not fit in that square footage. The Bismarck local office has 17,000 total square feet, and we still use space in that area. If we use 3/5 of our 44,000, that is over the 17,000 right away. We would have to move someplace else, and that is not even talking about a computer room. We would still end up leasing someplace else. If I remember it was around the 25,000-30,000 square feet.

Vice Chairman Streyle: How many employees would you have to relocate? How many employees if you took the whole building and put it into the regional office?

Cheri Giesen: About 10 of our staff.

Vice Chairman Streyle: You can easily fit 120 people in 17,000 square feet. I'll visit with John Boyle and I'd like to see the building.

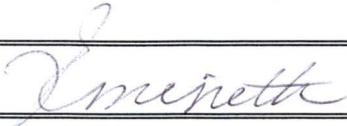
Chairman Monson: As far as you selling this building and moving into a new one, I know you 're not going to get a new building built. We'll call it a study, not a legislative management study. The facilities study gets together in the next 2 years hoping this is solved and the next time we have to talk about the Bismarck building and that would be really good. This is SB 2119 as far as the budget SB 2016 we don't have time to talk about the budget. We plan to fit you in on Friday or on Monday. Closed the hearing on SB 2119.

2017 HOUSE STANDING COMMITTEE MINUTES

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

SB 2119
3/27/2017
29697

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

An Act authorizing the state of North Dakota acting through job service North Dakota to sell certain property; and to declare an emergency.

Minutes:

Attachment 1

Chairman Monson: called the EE section of Appropriations meeting to order on SB 2119 Job Service. We are about 2 hours behind today. We have an amendment in front of us that Representative Streyle handed out. Levi, you want to explain this?

Levi Kinnischtzke LC: You should have the 17.8076.02003 amendment. (attachment 1) 1:00-

Section 1 studies selling the 3 properties in question: the Rolla property, the Minot property, and the main office property in Bismarck, to determine the historical purchase price, the funding source, and to make a determination on the potential sale of those properties. In section 1 there is some language that requires job service to collaborate with OMB and the Attorney General and Highway Patrol to lease certain portions of the Minot building to the Highway Patrol and the Attorney General but allowing job service to keep certain parts of the building for their use as well.

Chairman Monson: This is a "Job Service ND shall study", not a legislative study or an optional study. It will go to budget section, not the next legislative session.

Levi Kinnischtzke: There is a requirement in the last sentence of the section for job service to report its findings to budget by July 1, 2018. Section 2 addresses the leasing of the building at Rolla to Rolette County.

Chairman Monson: If the study finds out they can sell it by July 1 2018, then this lease can turn into a sale.

Levi Kinnischtzke: continues 4:30

Chairman Monson: The building will sell to Rolette County for \$1 after July 1 of 2018. If the value is greater than a \$1 Rolette County could buy it at 90% of value. If they don't want to buy it, it will sell for 100% of value. If it doesn't sell they can continue to lease it for \$1 a year until it is sold. I assume it will be a standard lease that would say job service doesn't have to put any money in to it.

Vice Chairman Streyle: I think the intent is that job service would have no expenses. They just get a buck and walk away. Rolette County would pay all expenses including heat and electricity.

Chairman Monson: If the roof leaks, they can't be expected to fix it on a building they don't own.

Vice Chairman Streyle: The lease will have to address that.

Levi Kinnischtzke : continues 8:55 Section 4 addresses the lease of the Bismarck Property to job service.

Vice Chairman Streyle: I propose to increase the job service to 80% of the building. They should be able to keep 40 people there.

Chairman Monson: You are telling job service they have to be in two locations?

Vice Chairman Streyle: They are now. Relocate the remaining employees to the regional office. The attorney general has money they can use to renovate and relocate. The savings are huge for the state, upwards of a million, because they are in 5 buildings now. They will have the Attorney General closer and it's hard to put a value on that. They'll get money back from the Attorney General's rent.

Chairman Monson: Who is going to be the landlord?

Levi Kinnischtzke: 12:15 I'll answer that by continuing on Section 5.

Vice Chairman Streyle: OMB, Job Service and AG would get together to figure out the lease. OMB/Ag and Job Service would be the Lessee. They would technically be renting from Job Service. OMB can do the maintenance; Attorney General would have to pick up their share, however they write the lease. They can determine those things.

Chairman Monson: Job Service ND would be collecting the rent, so we have to give them authority to collect special funds which should go into their budget to spend on the lights, heat, etc.; whatever the lease specifies.

Rep Boe: It is just our intention that it is a no net loss.

Vice Chairman Streyle: I am fine if they make a little money on operational costs. The lease does say shall so they will have to lease it.

Cheri Giesen Executive Director Job Service: I think back when we were going into deficit with our new I program. Thankfully you allowed us to use our FAIR fund to make us whole. We cannot all fit in the local office and we cannot vacate a building and lease it out without the federal government wanting their money back. I assume that applies to Rolla that we cannot vacate a building then lease it out. We would have to have liability insurance.

Chairman Monson: No, the county would have to pay for the insurance.

Director Giesen: So I would have to talk to Rolette County to see if they will pay for insurance with that \$1.

Rep Boe: Could you have a desk or terminal in the office available for a travelling employee and lease out the rest of the building?

Chairman Monson: You can't expect Rollette county to pay for roof repairs or the like because it could be sold out from under them. If they remodel it, then that is their expense. That is where you need to get together with John Boyle or whoever works out these leases and Rollette County to figure out the lease.

Vice Chairman Streyle: There is some risk, but it is for only a year. Rolette County would have more risk.

Director Giesen: What if the furnace went out, would we have to spend the \$20,000 to fix the furnace?

Vice Chairman Streyle: What would you do if it went out now? They are responsible for the maintenance.

Director Giesen: Why do we have to do it for a \$1, like it says in the last statement? Why can't I rent it for at least my operational cost?

Rep Boe: What are your operational costs? If Rolette County is paying all the expenses, then what are your costs?

Chairman Monson: You just collect the dollar and walk away. If you charged \$5000 then you would be responsible for maintenance.

Rep Martinson: Your lease is going to say Rolette County is going to lease the building for \$1. Rolette County shall pay ALL the other expenses. That will be in the lease.

Chairman Monson: You were shaking your head, is there something else you don't agree with? You don't like section 4?

Director Giesen: We are in two locations. We have several of our departments who work together at the administrative office. There is 9000 sq. ft. in the building. If we could stay where we are we could do it much less expensive. It is not in our best interest to separate those offices, especially now when we are doing a lot of projects and unemployment rewrite. I thought I was working well with AG office. There is no need for them to occupy my building and make me lease more space when I could've stayed there for half the expense it will cost to lease. We are more effective together. We needed 2/3 of the space of 44,000 sq. ft., we are not going to fit in that building.

Vice Chairman Streyle: So you need 300 sq. ft. per employee? How much of the 11,000 is unusable?

Director Giesen: John Boyle had used a figure of 250, but there is a lot of unusable space on the first floor. Out of the 44,000 we needed 2/3 of the building. We need office space for interviews and some things because of privacy. It wasn't designed for cubicles; it was designed for shelter.

Vice Chairman Streyle: If you have 100 employees on one floor and 10 on another, that's 180 ft. per employee if you leave half the employees there. Say 30% is unusable, you are still over 100 sq. ft. per employee.

Director Giesen: You could lease out the Bismarck office to the Ag's office and leave us where we are. That wouldn't disrupt our business. We need at least 50 parking spaces plus parking for our customers so we would need something leased or built for parking because they can't park on Century. I don't know why it won't work for the AG's office if they need less than 50 parking spots.

Vice Chairman Streyle: There is not enough space. 75% would give you a whole floor.

Director Giesen: We are highly collaborative; we have a UI Main frame project we are working together on now. Space, that's our problem, too.

Rep Boe: If we are playing a cake walk, and there's not room, send them to Rolla.

Chairman Monson: 36:17 When I read the bill, what was your plan?

Director Giesen: Our plan was to be transparent. I thought we'd do the study first. I thought we'd do a cost analysis before we sold the buildings. I thought we'd do this in two biennia.

Chairman Monson: What would you do if we sold the building.

Director Giesen: We'd do a cost basis analysis. I'm willing to kill the bill right now, except for Rolla. It would've been better in 3 different bills.

Vice Chairman Streyle: Grafton is not occupied right now, too. Let's put that in here, too. I don't care what the REI is. Well, let's sell Grafton, too.

Director Giesen: We already have permission to sell the Grafton building. DHS has first option to purchase that building. We had to wait for session so you could give them permission to buy that building. That is in the process and if DHS doesn't buy it, we will; sell it.

Rep Boe: 39:36 Were there any Fair funds involved with that building?

Director Giesen: It was all special funds.

Rep Martinson: Thank you for being honest about this. Don't leave beating yourself up. If this doesn't work out, it doesn't. I don't want you to leave thinking you made a mistake being transparent with us.

Chairman Monson: I think we should at least do section 1 and 2. Is Minot going to work for you?

Director Giesen: Which section is that under?

Levi Kinnischtzke: Minot would be identified in the study in Section 1 identifying that job service would work with OMB to develop a plan for Job Service, AG, and Highway Patrol to be in the building. It is in section 5 with the Bismarck office for the sale.

Director Giesen: Is that "shall" or "may"?

Levi Kinnischtzke: It is shall.

Vice Chairman Streyle: I move the amendment with 75% on the back instead of 85% of the space.

Chairman Monson: You're saying the Attorney General would get 3 floors? Or as much space as needed to collate all of the offices of the Attorney General in Bismarck, except those located in the state capitol. Is that still relevant?

Vice Chairman Streyle: 75%, striking as much as necessary.

Rep Martinson: second

Chairman Monson: section 5 is still in it.

Director Giesen: We need to get an understanding what vacate means.

Chairman Monson: We have a motion to move 02003 before us with the change in section 4 that takes 85% down to 75% and strike everything after the comma in that sentence. I'm not sure that it will work.

Vice Chairman Streyle: Also change the 25% to 15%.

Levi Kinnischtzke: We still need to include the legal description of the Bismarck office. It wouldn't be taking out that entire sentence.

Chairman Monson: Does your motion include language to collect funds and spend them?

Director Giesen: What are we going to do about parking? And it says I can't vacate a building.

Chairman Monson: I wasn't sure this would work, but I'm not sure it won't work.

Vice Chairman Streyle: Plus we will be discussing this in full committee.

Chairman Monson: Alright. **Voice vote Motion Carries.** So now we have 2119 amended.

Vice Chairman Streyle moved to Do pass as amended. Martinson seconded it.

Chairman Monson: a roll call vote was taken. Yea: 6 Nay: 0 Absent: 1 Motion Carries. Now we will have a version 02004. **Rep Boe, you will carry. My intention would be that we would not have job service kicked out of their own building. Well that one is behind us, 2119.**

Meeting adjourned. 50:38

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2119
March 31 2017
29884

- Subcommittee
 Conference Committee

Eminette

Explanation or reason for introduction of bill/resolution:

A BILL for an Act authorizing the state of North Dakota acting through job service North Dakota to sell certain property.

Minutes:

Chairman Delzer: We will open the meeting on 2119 gives authority to Job Service to do some sales of certain properties, one in Rolla, in Minot and one in Bismarck.

Rep. Boe: Reviewing SB 2119 and amendment 17.807602008 section 1. This deals with the selling of property including the one in Rolla, Minot and the one in Bismarck. In the other bill I brought Fargo into it because they already had the authority to sell Fargo. I thought Fargo should not be treated different than the rest of them. In here we had a provision in section 2 to lease property from Job Service in Rolla beginning July 1st 2017. Section 4 is the lease of the Bismarck property that gives them the opportunity to lease access space and the relocation.

Chairman Delzer: The essence of this is so Job Service and OMB can find the best possible use for the state of North Dakota. We could probably save one million dollars in rent.

Rep. Streyle: In the intent of Minot it is not specified VCI needs more space and are renting at a higher rate than what the assumed rent would be in this. HP, AG, Job Service would occupy the Minot building. If we could get them under one roof, we could save money.

Chairman Delzer: Allen would it be cumbersome to put any plans into the budget section?

Allen Knudson, LC: That wouldn't be a problem.

Rep. Boe: Since this section put an amendment on do we need to say move this for the amendment they put on or just further amend?

Allen Knudson: In lieu of will suffice.

Rep. Streyle: Second.

Chairman Delzer: We have a motion to amend SB2119 with 02008 in lieu of with the section put on which will be the final amendment if it is so adopted. All those in favor of SB 2119 with 02008 signify.

Motion made by rep. Boe Seconded by Rep. Streyle Voice vote all in favor motion carries

Chairman Delzer: I think there should be some kind of reporting requirements They should be in the budget section or add a report in the end of section 4?

Rep. Boe I move that we have a budget section reporting requirement added in the amendment.

Rep. Monson Second.

Chairman Delzer: We have a further amendment to add to section 4 and a requirement to report to the budget section if anything changes. Motion made by Rep. Boe Seconded by Rep. Monson. Voice vote Motion Carries.

Rep. Boe I move SB 2119 for a Do Pass as Amended.

Rep. Monson Second.

Chairman Delzer: We have a motion for a do pass as amended on SB 2119 by rep. Boe seconded by rep. Monson. A Roll Call vote was taken. Yea: 18 Nay: 0 Absent: 3

Rep. Boe Will carry the bill.

17.8076.02002
Title.

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment Division Committee
March 20, 2017

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

Page 1, line 5, after "convey" insert "to Rolette County,"

Page 1, line 8, remove "Job service North Dakota may cause this property to be sold in the"

Page 1, line 9, remove "manner prescribed by sections 54-01-05.1 and 54-01-05.2."

Page 1, line 9, replace "section" with " sections 54-01-05.2 and "

Page 1, line 10, remove "sale and"

Page 1, line 10, remove "Net proceeds from"

Page 1, replace lines 11 through 14 with "Job service North Dakota shall convey this property
to Rolette County for a sum of one dollar."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide legislative intent;"

Page 1, after line 3, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the office of the attorney general and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota shall lease to Rolette County, Parcel#29 0001 29089 000 00006700 2904000000; City of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; City of Rolla OTS Lot 18 Block 7 in the City of Rolla, Rolette County, North Dakota. Job service North Dakota shall lease the property to Rolette County for a sum of one dollar until the property is sold."

Page 1, line 4, after "DAKOTA" insert "- ROLLA PROPERTY - BUDGET SECTION APPROVAL"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

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"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION.

Beginning May 1, 2017, job service North Dakota shall lease to the office of the attorney general ~~50~~ percent, ~~or so much space as necessary to collocate all offices of the attorney general located in Bismarck, except those housed in the state capitol,~~ Parcel# 0485-010-045; Lot# N.50' OF L 3, All L4-6, ALL L 17-19; Block# 10; Addition- TIBESAR'S first in the City of Bismarck, Burleigh County, North Dakota. During the 2017-19 biennium, with the exception of its operations using up to ~~50~~ percent of the total square feet, Job service North Dakota shall relocate to, Parcel# 0729-001-001; Lot# 1; Block# 1; Addition- Wisdom Office Park in the City of Bismarck, Burleigh County, North Dakota.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES.

It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide legislative intent;"

Page 1, after line 3, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota shall lease to Rolette County, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota shall lease the property to Rolette County for a sum of one dollar until the property is sold."

Page 1, line 4, after "DAKOTA" insert "- ROLLA PROPERTY - BUDGET SECTION APPROVAL"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION.

Beginning May 1, 2017, the office of management and budget shall determine the most efficient use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient use of the property that may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 3, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota shall lease to Rolette County, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota shall lease the property to Rolette County for a sum of one dollar until the property is sold."

Page 1, line 4, after "DAKOTA" insert " - ROLLA PROPERTY - BUDGET SECTION APPROVAL"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

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"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. Beginning May 1, 2017, the office of management and budget shall determine the most efficient use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

Date: 3-16-2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2119**

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: 17-8076-02001

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 Rep. Boe Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	✓		Rep Boe	✓	
Vice Chairman Streyle	✓				
Rep Martinson	✓				
Rep Sanford	✓				
Rep Schatz	✓				
Rep Schmidt	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
To sell Rolla Job service bldg. to county of Rollette for sum of \$1.

Date: 3/27/2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2119**

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: 17.8076.02003 with change in Sec 4 (85% to 75%) striking or so much space as required, changing 25% to 15%

- 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 Rep Streyle Seconded By Rep Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson			Rep Boe		
Vice Chairman Streyle					
Rep Martinson					
Rep Sanford					
Rep Schatz					
Rep Schmidt					

Vote Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
with change in Sect 4 to take 85% down to 75% and strike or so much space

Motion Carries

Date: 3-27-2017
Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2119

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 Representative Streyle Seconded By Rep Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	✓		Rep Boe	✓	
Vice Chairman Streyle	✓				
Rep Martinson	✓				
Rep Sanford	✓				
Rep Schatz	AB				
Rep Schmidt	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Representative Boe

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

Motion Carries

Date: 3/31/2017
Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2119**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.8076.02008

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 Representative Boe Seconded By Representative Streyle

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carries

Date: 3/31/2017
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2119**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: REPORTING REQUIRMENTS

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 Representative Boe Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carries

Date: 3/31/2017
Roll Call Vote #: 3

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2119**

House 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 Representative Boe Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streyle	X	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	A		Representative Boe	X	
Representative Kreidt	X		Representative Delmore	A	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	A				

Total (Yes) 18 No 0

Absent 3

Floor Assignment Representative Boe

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

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2119, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2119 was placed on the Sixth order on the calendar.

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 3, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

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Page 1, line 4, after "**DAKOTA**" insert " - **ROLLA PROPERTY - BUDGET SECTION APPROVAL**"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

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property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

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Renumber accordingly

2017 CONFERENCE COMMITTEE

SB 2119

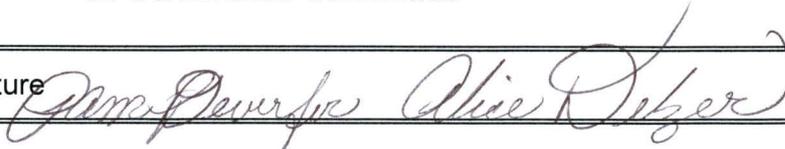
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2119
4/11/2017
JOB # 30033

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for Selling of Job Service Property

Minutes:

No testimony submitted

Chairman Krebsbach: called the Conference Committee to order at 8:00 am in the Harvest Room in reference to SB 2119. Roll call was taken. All conferees were present: **Chairman Krebsbach, Senator Oehlke Senator Mathern; Representatives: Roscoe Streyle, Bob Martinson, Tracy Boe.** Becky J. Keller, OMB; Levi Kinnischtzke, Legislative Council were also present.

Chairman Krebsbach: We would like you to tell us what you did to our bill.

Rep. Streyle: (He is using the marked up SB 2119) Section 1: included a study of the three properties, Minot, Bismarck and Rolla. We hope that the Minot office, line 13 that the attorney general would like more space for BCI in Minot. The Highway Patrol would get double the space. It will still allow them to occupy a portion of the building, but it would say to work together with OMB and come up with lease terms. You see there is a reporting requirement in a year from now. Section 2: expresses ways to lease the Rolla building to the county of Rolette for \$1.00. Section 3: gets into line 7 and 8, gives Rolla a market price for this should they follow all the federal laws. Rolette will have the first right of refusal to buy the property. If they do not exercise it, they will have to pay 90% of the appraisal price. That building should be utilized. Section 4: gets into the Bismarck building beginning May 1st. That's pretty aggressive. We might discuss moving that date. For OMB and Job Service to look at the building and see if there is a more efficient and cost effective use for the building by that date would probably not work. The AG has multiple buildings across town from \$14 to \$17 per square foot. We felt putting all of them under one roof made a lot of sense and save money. Job service, OMB and AG need to figure it out. Should they move a portion of it? Job Service needs to occupy a portion of the building. We just don't know what that number is. Is it one floor, 2 floors, 50% of the building for federal law. They can't lease this out to make money. We talked about the AG having three floors and they would keep the first floor. Then we added \$100,000 for renovations and moving expenses to move the portion of the staff that wouldn't fit in the first floor over to the other office. It has plenty of space. Section 5, we left the emergency clause on as it came from the Senate. It's pretty aggressive. Job Service is

not necessarily happy about this. We understand that. It does not say they have to do it. But if it is determined that it won't work, they have an out. We worked a lot on this bill. It's time to move on these properties. We don't have an appraisal on them until middle of the next biennium. We thought we should lease some until then.

Chairman Krebsbach: You mentioned \$100,000. Can you show me where that is in the bill?

Rep. Streyle: It is in the budget bill for Job Service. Also in the budget we included \$750,000 of special fund authority. It's in the budget where we thought it should be.

Chairman Krebsbach: You have \$750,000 for expenses for what?

Rep. Streyle: If the AG pays down, then we can expend down rental income to pay utilities, etc. They would not have that authority if we did not put that in the budget. It is probably higher than rent would collect, but we thought putting a higher number on it would be ok. There is 12,000 square feet available in Minot. If they lease the three floors in Bismarck, it would be 33,000 square feet. You add those together. **(0.08.44)**

Senator Oehlke: In Section 5, who determines feasibility? Who says yes or no?

Rep. Streyle: The OMB was the intent there. That is based on their cost analysis.

Rep. Boe: You look at Section 4, it says they'll do the study and report back to the budget section. Ultimately, it would fall back on the budget section to determine.

Chairman Krebsbach: I am wondering about the need to study. Seems to me Job Service came to us with a clear plan. Do you need to study this further?

Rep. Boe: It's not that clear of a plan. They asked for sale authority. They have sale authority on property in Fargo. Yet, they choose not to sell and are sitting on it. They have no intention of selling it and they pick and choose what they want to sell without regard to the state of ND or legislature. We should be consulted and we should be able to participate in this available space. I don't think it was that clear of a plan. You probably did not hear about the property in Fargo and their ability to sell that today. **(0.11.17)**

Chairman Krebsbach: I don't recall. We will need to ask them why they have the property in Fargo and why they are holding on to it.

Senator Mathern: In the House, where is it that we address the condition that all of this activity be subject to federal and state law.

Rep. Streyle: On page 1, line 11. I am looking at the marked up version of the bill.

Senator Mathern: I am wondering why we wouldn't have a section like that apply to the whole bill. It lists specific properties there. Why wouldn't it be applicable to all properties that they have? Do you want it applicable to some properties?

Rep. Streyle: Those were the properties discussed in the bill so we did not expand. There is a study in the Fargo operation, too. I don't care if there needs to be a section saying please review state and federal for all of these. We still don't know, and I don't think they know how much they can lease without triggering federal issues. How much do we have to occupy? They are leasing a portion of a building in Minot. They, the AG, are leasing the fourth floor in Bismarck. We know they can lease. This just gives them a little push and says let's get this deal done. Especially in Bismarck. Minot could get together right now and do a lease. It may be a little aggressive. We need to save money. Why would we not do that? **(0.14.44)**

Chairman Krebsbach: Are there further questions?

Senator Oehlke: In Section 2, when we talk about leasing the property in Rolla to Rolette County for \$1.00, should that also say \$1.00 plus all maintenance and operating expenses?

Rep. Streyle: I completely agree with you as far as utilities. We thought putting all the terms in here would be too cumbersome. That is definitely the intent. There are no expenses from this building going forward. Rolette County could have some risk. They may lease and then decide they cannot buy after trying to improve. We just wanted to give them the option of getting in the building quicker. Let OMB help if they need to with Job Service, and come up with a good lease.

Senator Mathern: Do we have a willing buyer here? Are they part of this discussion? Is Rolette County part of the discussion?

Rep. Boe: Yes, Rolette County is interested in buying. Part of the lease part is that being what we do is public record. You end up with county appropriating the money to buy it, and someone reads this in newspaper. They come and bid \$1.00 more. We want to avoid that. That is part of the \$1.00 thing. I give them a place holder on it and get the right of first refusal.

Senator Mathern: Would Rolla County keep it? Or sell it?

Rep. Boe: They would keep it and use it for County Health Services. **(0.18.23)**

Chairman Krebsbach: I see nothing wrong with trying to maintain a building within the community. Maintain thing we have to look at is that all compliance to federal is met.

Rep. Boe: I believe the title does not say it is federal property. It is state, but the funds are federal.

Chairman Krebsbach: The funds are federal so it ends up in their jurisdiction.

Rep. Streyle: That is what we don't know. We don't know what they will say. They may say put money back into the fund, but how much. Do the feds get credit for what the state puts in.? We don't have the answers, hence the reasons for the study.

Chairman Krebsbach: We will pursue some of that as well. Further questions? The bill got a little more complicated when it left here. We will recess the Conference Committee hearing on SB 2119 at this time and meet again.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2119
4/12/2017
JOB # 30098

- Subcommittee
 Conference Committee

Committee Clerk Signature

Shirley DeBer (by Mary Waken)

Explanation or reason for introduction of bill/resolution:

A Conference Committee for the sale of Job Service Property

Minutes:

No Testimony Submitted

Chairman Krebsbach: called the Conference Committee to order at 8:00 am in the Harvest Room in reference to SB 2119. Let the record show that all conferees are present: **Chairman Krebsbach, Senator Oehlke Senator Mathern; Representatives: Roscoe Streyle, Bob Martinson, Tracy Boe.** Becky J. Keller, OMB; Levi Kinnischtzke, Legislative Council are also present.

Chairman Krebsbach: I know we spoke the other day about adding some wordage to the line 22 on page 1 and that is after the \$1.00, adding the words plus all operations and maintenance expenses. Do you have any other questions at this time on this bill? The House replied they were fine with that.

Senator Mathern: It seems unclear to me yet whether we meet federal law requirements that we lease it for \$1.00. I wonder if the House got a determination on that. Take for example the section 2 property, the addition of the utilities and such as maintenance.

Rep. Streyle: By putting this in here, there cost is zero. So they can lease, for their cost only. So a \$1.00 you know, that I would assume that they have zero expense in this building would fit the terms of the federal regulations.

Senator Mathern: I just wonder if we should just add 'that' there to maybe get closer? That really wouldn't happen unless it meets those federal regulations. I hate to see them in a position where we tell them to lease it and the federal government says you can't lease it. Then what would they do?

Chairman Krebsbach: Is there any protective language in there, I am trying to recall?

Rep. Streyle: In section 1, section 10 and 11, it studies this too. The study must include the termination of law by sales price of each property, if federal and state law, so the federal portion is covered. Can they lease the entire amount? If they had a computer up there and

went up there never, that, would suffice as far as they are still occupying it, but leasing it to Rolette County. The intent being here is to push this along, and then sell it to Rolette County. But yet we can't as there has to be an appraisal done is what I am saying. But that will take a while, so let's get them in their lease and then sell it to them or actually it probably would be good if you think about it and if you're in that building, leasing it, you probably going to buy it if it comes up. So this section, I think will actually help them sell the building because if they are going to move in there and lease it, they are not going to want to move out again. So they are just going to buy it for whatever the going percent of the appraisal price. Rolette County might say no; we're not going to take that risk. We don't want to do it, or wait until the appraisal comes and then we will consider buying it at the sale price. This may never happen. Rolette County may say no and wait until the appraisal is done. This just gives them the option to move it along a little quicker than they otherwise would. I think this is a huge benefit to Job Service because if they only lease it, they are going to buy the property. They are not going to move all of their people out, is the way I look at it.

Senator Mathern: Section 1 is a study of the issue. Section 2 is a directive to do something. If we do keep Section 2 we should keep the contingency that apply to Section 2, like the rent issue, like as per permitted by federal law and something like that.

Chairman Krebsbach: That complies with the federal guidelines or whatever.

Rep Streyle: I would be ok with that. This may not happen. We're both taking a risk doing this, leasing it, because what if it is not what they think it is going to be and when they decided not to buy it, now we've got to move all of our people out. I do think it is an incentive for Rolette County, a benefit through Job Service because once you get them in there you're going to get them in the end on the sales price. Albeit we put in 90% of appraisal is in federal law. On page 2, in the green there, first right of refusal at 90% of it, the appraised value. That definitely is federal.

Senator Mathern: Wouldn't it be wonderful if we could fill it up with economic development people. So that we could actually help people in that region with some job training and 20/20 and the whole works.

Chairman Krebsbach: Is there anything further on 2119?

Rep Streyle: Section 4, we realized after we kicked this out, that May 1st is extremely aggressive for obvious reasons as its almost May 1st. So that would need to be looked at as far as. Although it does say beginning that date, they will start looking at it, so I don't know that it is detrimental but we definitely want to and the intent is like I said, if they look at it right away. Of course it's got the emergency clause on it so, it depends on when we get out of here they could start looking at it immediately. That is assuming we're not here at 95 days or whatever, but, then in Line 13, the most efficient use, then you could put, 'and cost effective use' whatever to, just to try and cover every gambit there, but if you think it works it well I could move that forward a little bit. The intent was to get on this right away. Facilities management as well. That might be something to consider.

Chairman Krebsbach: If we need the words 'beginning May 1, 2017, at all, just go with the Office of Management and Budget shall determine.

Rep. Streyle: We may not need that based on the emergency clause. It would be a law immediately, then they could start looking at it that afternoon.

Chairman Krebsbach: Do we have further things that we want to review at this time?

Senator Oehlke: I would like to remind everyone that we've got Job Service has had the Fargo property. The ability to sell that property for a long, long time in Fargo, so it's possible, but even though we give them the authority it doesn't mean they have to do that. But it depends on their business cycle and all that sort of thing and their management.

Chairman Krebsbach: I did get some information. The answer, was the authorization to sell was done way before the year of 2000, and that was done when it looked like Job Service was really growing, and that they needed more space. However, when federal funds decreased, that changed. Selling the building was no longer cost effective, for them. They feel they are currently at the right size so they are going to stay where they are at. I am getting quite concerned about all the transactions within this and I am wondering, how difficult it would be to get a cost analysis budget on doing all of these transfers with the potential of the income that they would be having, the expenses they would be seeing, and so we have a good guideline as to where we are going. Levi can you help us with that?

Levi Kinnischtzke, Legislative Council I believe unless I am misinterpreting your statement, I believe that would be the intent of this study in Section 1. It would be to establish what the feasibility of selling these properties would be. That would kind of be the chain of command after that study, to see if those properties could be sold or leased.

Rep. Streyle: Section 1, look at the sale piece, and Section 5, we think about funding it the next session. We don't have the money to do it, which would save a lot of money in leases for the Attorney General. Section 4 would be the lease portion of it. If you read it, it says it shall determine the most efficient use. OMB could say no, it's not efficient at all. I think it would be more feasible for them to be in one building.

Chairman Krebsbach: I don't think Job Service is ready to vacate the Bismarck one. They have a large computer main frame.

Senator Mathern: Let's do this feasible study in these next few days. Is it possible to ask facility management to actually bring some suggested numbers to this committee? They have all the rents, they have all of the square footage, they have all of the needs, it just an idea if you're looking for data, that might be the place.

Chairman Krebsbach: I think that is a very good suggestion and we could probably have a little more at hand with something specific to deal with at this time.

Rep. Streyle: The intent would be, and we discussed it ad nauseam in our committee, but there are 4 floors. Each of them are 11,000 square feet, so it is 44,000 square feet. The Attorney Generals occupying the 4th floor right now. The intent would be, of course this is determined by OMB, it isn't determined by us whether they find it. The Attorney General to occupy floor 3 and 2, keep floor 1 for Job Service. Keep all their servers, 11,000 square ft. is a lot of space. And keep 30 to 40 people or however many they want there. That is what the

\$100,000 in the budget was for, to promote movement and doing renovations if they want to do that there. They also say there is not enough parking there. OMB, Job Service and Attorney General have to get together.

Cheri Giesen, Director of Job Service: If we try to do this in 3 or 4 days. I agree with Rep. Streyle, as a turn of events. The Attorney General would rather rent someplace else. I learned this 24 hours ago. That is what the intent of this original bill is, I brought this to make sure that you guys knew we would be studying this. We didn't do a cost benefit and to do an appraisal on our building would probably cost us \$50,000. We don't want to start something like that without the legislators knowing what our intent is. We want to study that and do it right. My costs per square feet, I need to make sure that I am not expending more. That is what the basis is. The other thing that we can do there is the computer system, we go ahead for a \$11M project. They talk about being co-located together, it is essential for a \$11M dollar project. Most of these projects around the nation have failed. There is not very many success. Keeping all of us in the same building is a big deal. Our staff costs are much higher than our building costs to be effective. So there has got to be a look at staff as well as when we look into this computer program project as well in the interim with a \$11M dollar project and have it follow up. We have to separate. If we have to vacate we cannot fit into our local office, we would be in three spots. Again, if you are sure this is a moving target I would rather take the time and actually do a final study. Rep. Streyle had mentioned that we don't know the costs. What happened is we lease right now, we have the square footage cost and rented for 200 square feet for us. We did an audit and it included all of costs up and beyond anything that was capitalized. When you start renting out 5,000 square foot, a 1/3 of our building, or 2/3 of our building in Minot, this is actually space we would take and expand and capitalize, and we haven't done it. I admit we haven't been in the real estate business of trying to lease before and other than the 200 square foot office to somebody in a different square foot. So we did accrue some of those costs. We have been working on them and we do have them for every office now. We still would have to have be audited on that, so we still want to run that by the USDA, we want to run it by facility management, but we want to make sure that we can't charge over and we can't do that, but it is different from what we've been charging our core partners in a 200 square foot office. That is why we didn't have their square footage. But we are now working on that and pulling boxes with receipts to understand our expenditures and expenses on those buildings. We are going through receipts to figure out what is our cost of ownership so we can divide that by our quote. We are working on it as fast as we can.

Chairman Krebsbach: I don't think we would make a sudden move in those 3 days. Are we even going in the right direction? I think facilities management like you said, could give us some assistance on that, just to get an idea, just an overview of it, because we are dealing in the dark.

Senator Mathern: That is my intent. Part of this is some requirements of sale. It's really and I think that's why, there is a move for information. If this was literally just them telling us about all the options and they want to do a study, hey, I would say let's pass it. But part of this bill includes requirements that are saying do it now.

Rep. Streyle: Job Service shall study, Section 1; Section 2 they are spending \$10,000 dollars a year just to keep it long enough so it doesn't wreck the building they are not even in the

building. So, I don't see why that part is even an issue at all. Section 4, OMB shall determine the most efficient use, so that's all we're doing in this bill is a study. I don't get the argument.

Sen. Mathern: Is Section 2 a directive?

Rep. Streyle: Yes, it sure is. But it is to a building that they aren't even occupying. There isn't anybody in there.

Chairman Krebsbach: I understand what you're saying, in regard to Job Service. However, there is more involved. We are talking about moving Highway Patrol, we are talking about moving Attorney General, all of these things should be put together in some type of a semblance, so we know what we are dealing with. That is where I am coming from.

Ms. Giesen: I think Senator Mathern is talking back on SB 2016 with the requirement that we sell our most valuable and recent most valuable. That is the requirement to do.

Rep. Streyle: If Section 2, needs to read Job Service may lease to Rolette County, whatever. In the end Job Service should want them to lease it, because then it is an automatic sell. Who else is going to buy that building in Rolla? Really? Why would we not want to give it to the county which is going to put I believe the Social Services division in there. It's a good cause. It's a reasonable request.

Senator Oehlke: I did, if I look at the last change, changing "shall" to "may" on line 18 of the first page and then adding the maintenance and operating expense on line 22 and drawing a line, on page 2, line 22, beginning May 1, 2017, draw the line through it. If those changes were made on this, I don't see a problem on this bill. It's a study and an effort to get things rolling.

Rep. Streyle: Minus the "shall", we are giving Rolette County the option, the first Right of Refusal which I think we should. I think it is the right thing to do.

Senator Oehlke: Part of their study would check into the issue of the federal requirements and what they know and can't do as well.

Chairman Krebsbach: We have reviewed this pretty well. Levi will prepare those changes that we are talking about on this bill. We are recessed for now.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2119
4/17/2017
JOB # 30164

- Subcommittee
 Conference Committee

Committee Clerk Signature

Jonabellenas for Steve Delzer

Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for the Sale of Property (Job Service of ND)

Minutes:

No testimony submitted

Chairman Krebsbach: called the Conference Committee to order at 11:30 am in the Harvest Room in reference to SB 2119. Let the record show that all conferees are present: **Chairman Krebsbach, Senator Oehlke Senator Mathern; Representatives: Roscoe Streyle, Bob Martinson, Tracy Boe.** Becky J. Keller, OMB; Levi Kinnischtzke, Legislative Council are also present.

Representative Streyle: I think we are close. The changes that were proposed would be Section 2, may lease, instead of shall lease and include operations and maintenance. So that it's clearer that if they lease it, they aren't responsible for anything. The lease would be responsible. We're fine with that. In Section 4, removing the date and just say "the OMB shall determine the most efficient and cost effective use of the Job Service building. That would force them to do a cost benefit analysis. With those changes we would be willing to move this bill.

(0:01:15) Senator Oehlke: On page 3, line 7, where we talk about "is determined feasible", who determines feasibility on deals like this? Does it come back to Budget Section, or does OMB determine it, or Facilities Management, or do we need to get particular about that?

Levi Kinnischtzke, Legislative Council: I believe it would be OMB, as they are going to be the ones doing the study.

Senator Oehlke: We believe its OMB or we know it's OMB?

(0:02:35) Levi Kinnischtzke: That would be my interpretation of it. It's not specifically spelled out, section 1 of the bill does describe the study and it says it shall study the feasibility and desirability of selling the properties, so that kind of sets the precedents.

Representative Streyle: I would agree the OMB shall determine the most efficient and cost effective, they would be the ones making the decision with talking to Job Service and the AG, if they could use those would be my take of how it reads.

(0:03:38) Chairman Krebsbach: We can check that out so we know specifically where this authority would lie. As far as the other areas, I am in agreement with the changing of the wording.

Senator Mathern: I wonder if in that part, if we should permit, we are adding efficiency and effectiveness and all that, I am wondering if we really need them to come back to the 66th legislative session. What if they can be effective and efficient before we meet again. It's always in state agency purview or subdivision. I am wondering if we really need that in section 5, if it's going to slow the system down?

Chairman Krebsbach: I am looking at probably the same situation; I think if they find out ways to do this. I don't want to see us be held up for something we're going wrong.

(0:05:17) Representative Streyle: The lease part, they can do without our approval. Section 5 is saying if it's determined that it's a good idea for the state to buy these properties, that should be brought up next session. I would just as soon as we sell them to the state right now, but I don't know where we would get the money. This is saying study, lease if it's determined to be effective and cost efficient. And present us a plan next biennium to buy the building and do what they really want to do. I think we need that; they are not going to be able to buy it themselves before anyways. At least to the state agencies, especially the Bismarck one, we want to buy that. The Minot one is a horse apiece, maybe we do, maybe we don't. I know the attorney general and BCI would like more space. The Highway Patrol may or may not want to go in there at 3,000 square feet. It would be nice to have them in the same building. There are two bypasses east and west just north of the building, there's a lot of HP's activity in the winter is up in the northern part. Their current building isn't in a bad location, just kind of an issue. If OMB says none of this works, it's null and void.

(0:07:14) Chairman Krebsbach: Basically, they have the authority to lease, what they are seeking is the authority to sell. So if they have the authority to lease, and we just gave them the authority to sell, would that not cover what we are trying to do?

Representative Streyle: No, because we don't have the funds to buy it.

Chairman Krebsbach: But they wouldn't have to sell it immediately, but could lease it for a period of time.

Representative Streyle: Which is what section 4 is saying. Study it and determine if it's in the best interest of the state to do this. I think we will see millions of dollars of savings should they relocate portions and put BCI in there. That's for OMB to determine, not us. It's absolutely in the best interest of the state.

(0:08:29) Chairman Krebsbach: We come back to the same situation, the cost.

Senator Mathern: I can imagine there is these discussions going on. Would you mind if we ask the Director of OMB or Director of Facilities Management to see if they want the authority to make decisions before the next session or just as soon wait. I don't mind waiting if they want us to wait, but I would hate to see us bogged down systems of management of properties and staff if they could do it before the next session.

Representative Streyle: We are not slowing them down, this is a kick in the butt. This is a shall study is a kick. The sale piece of it, they'll be able to sell well I think. The other two, I think we should buy it as a state. The building here, but I would want the first right of refusal from the state prospective. They could go out and sell it to whoever they want, but there's no way the state is going to be able to buy it for \$3M this biennium. If we can lease a portion of it, with the intent that we find the available money next time, we buy it. In my mind we cannot let this building be sold to anyone other than the state of North Dakota. Especially in Bismarck. Wait again for the next biennium to decide on Minot.

Senator Mathern: One of the related issues, was in accordance to federal law, line 11, at one point, we talked about adding that in all of the sections. I am wondering if that is still on the table so we don't put the department in a spot where we tell them to do something, but then they come to some limitation in terms of federal law. That was one other issue and just wondering if that's on the table yet. I presume that is what the House presumed, but only put it in section 1, none of the others.

Chairman Krebsbach: In my estimation they would have to comply with state and federal laws in any and all properties that they would sell and fair market value would have to apply to all.

(0:12:04) Representative Streyle: What you're referring to is the lease portion? Whether that would comply with state and federal law, is that what you're saying? They don't know that answer to that for some reason, they're incapable of figuring out if it's 10%, 20% or 50%. I can't believe that's a one phone call answer. If you want to put something in there, they are going to have to check anyway, put in there "review federal law based on"

Chairman Krebsbach: Is there anything further we can go with on this bill. Or have we explored thoroughly today what we need to do?

Representative Streyle: I can summarize it quickly so that we can get it out of here today or tomorrow. That would be changing it to "may lease", and include operations and maintenance. Section 4 remove the date, beginning with May 1st, and add efficient and cost effective. Put a statement in about reviewing state and federal law. I think this would be a good bill.

Chairman Krebsbach: It's just some new things have come to light and I need personally a little more time to make sure we are doing the right thing.

(0:13:49) Senator Mathern: I think it would be great if we had the amendments prepared that we could look at, if the House would prepare those.

Senator Oehlke: Section 3 does have the state and federal law in it already on page 2, end of line 10 and 11.

Chairman Krebsbach: I think they are referring to the Rolla property.

(0:14:32) Senator Mathern: I think it should be consistent, because it implies something different if we have it in one section and not in another.

Representative Streyle: I think it would be a fine addition to this. OMB would have to look into that anyways, so why don't we put it in there and it will be consistent with all sections, and we can certainly prepare an amendment.

Representative Martinson: I would agree with Senator Mathern, I think it would be a great idea if **Representative Streyle** would meet with Levi and draft the amendments and we'd have an opportunity to take a look at them. I would suggest if anyone has any other amendments, they get together with Levi too so that we can start moving on this.

Chairman Krebsbach: I think that would be a great idea.

Senator Oehlke: I didn't think about it until Representative Boe mentioned about if they sell the property before the effective date, then no big deal. So my question regarding the previous bill, had the effective date of July 1st, but this one has an emergency clause, would that be a problem, or should they both be July 1st?

Representative Streyle: We could think about that and see if there are any conflicts there.

Senator Mathern: I would note to Senator Oehlke's comment, if this really is a positive thing for Job Service, Rolette County, and OMB, it would be nice if there was some ability to move before July 1st. I don't know what the local circumstances are. The emergency clause probably gives ability to begin negotiating as soon as possible.

Chairman Krebsbach: We will recess once more.

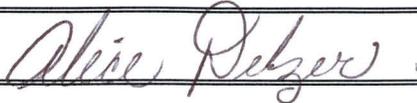
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2119
4/18/2017
JOB # 30216

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for the sale of property (Job Service of ND)

Minutes:

1. Proposed Amendment # 17. 8076.02010

Chairman Krebsbach: called the Conference Committee back to order on SB 2119 at 6:00 pm in the Harvest Room. Let the record show that all conferees are present: **Chairman Krebsbach, Senator Oehlke Senator Mathern; Representatives: Roscoe Streyle, Bob Martinson, Tracy Boe.** Becky J. Keller, OMB and Levi Kinnischtzke, Legislative Council are also present.

V. Chairman Krebsbach: We had passed out an amendment for this. See Attachment # 1 17.8096.02010. Do you have any comments if you have had the chance to look over the amendment?

Representative Streyle: I think it has everything we talked about. It has the federal law, it has the May lease, state and federal law in all the different sections, move the date.

Representative Streyle: I would move the Amendment # 17.8096.02010. 2nd Senator Oehlke.

Chairman Krebsbach: We have a motion to adopt the Amendment by Representative Streyle, a second by Senator Oehlke. Is there any further discussion on the Amendment? I am going to ask Cheri if you had a chance to look at it. (her reply was yes.)

Senator Mathern: Just a clarification, is the Amendment # 17.8076.02010.

Chairman Krebsbach: Yes, it is .02010. That is the version we are looking at.

Senator Mathern: Correct.

Chairman Krebsbach: And that's the one we have a motion and a second on. Are you still reviewing it in the back of the room? Or is that the front of the room, I am not sure. (Cheri replied that it's OK.) Alright we have the motion if there is no further discussion on the motion

to adopt the Amendment would you please call, excuse me, Madam Secretary, would you please note that all conferees are in attendance. Now, we will ask you to call roll on the adoption of that amendment.

A Roll Call vote was taken. Yea: 6; Nay: 0; Absent: 0. The motion carried.

Senator Mathern:	Yea	Representative Streyle:	Yea
Senator Oehlke:	Yea	Representative Martinson:	Yea
Chairman Krebsbach:	Yea	Representative Boe:	Yea

Chairman Krebsbach: Committee, I believe that would conclude our work on SB 2119. Unless there is further discussion or question on the process of it, the motion would read that the House recede from it's amendments and further amend, I believe. (it was asked if we needed to vote on that again.) When we adopt the amendment that becomes the Conference Committee report. So, that one can be put to bed. The hearing was closed on SB 2119.

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

That the House recede from its amendments as printed on pages 1266 and 1267 of the Senate Journal and pages 1411 and 1412 of the House Journal and that Engrossed Senate Bill No. 2119 be amended as follows:

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 4, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota may lease to Rolette County, as allowed by state and federal law, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota may lease the property to Rolette County for a sum of one dollar until the property is sold. The lease must provide that all operational and maintenance costs related to the property are the responsibility of Rollette County until the property is sold."

Page 1, line 4, after "DAKOTA" insert "- ROLLA PROPERTY - BUDGET SECTION APPROVAL"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

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"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. The office of management and budget shall determine the most efficient and cost-effective use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient and cost-effective use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office, as allowed by state and federal law. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

Date: _____
 Roll Call Vote #: _____

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2119 as (re) engrossed

Senate Appropriations Committee

- Action Taken **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Senators	4/11	4/12	4/14	Yes	No	Representatives	4/11	4/12	4/17	Yes	No
Senator Krebsbach	✓	✓	✓			Rep. Streyle	✓	✓	✓		
Senator Oehlke	✓	✓	✓			Rep. Martinson	✓	✓	✓		
Senator Mathern	✓	✓	✓			Rep. Boe	✓	✓	✓		
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: _____ No: _____ Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: _____
 Roll Call Vote #: _____

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2119 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Senators		Yes	No	Representatives		Yes	No
<i>Krubsack</i>	<i>4/18</i>			<i>Strey W</i>	<i>4/18</i>		
<i>Dehler</i>	<i>✓</i>			<i>Martinson</i>	<i>✓</i>		
<i>Mather</i>	<i>✓</i>			<i>Boe</i>	<i>✓</i>		
Total Senate Vote				Total Rep. Vote			

Vote Count Yes: _____ No: _____ Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4/18/17
 Roll Call Vote #: 1

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2119 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Rep Streyle Seconded by: Sen Oehlke

Senators		4/18	Yes	No	Representatives		4/18	Yes	No
<u>Krebsbach</u>		✓	✓		<u>Streyle</u>		✓		
<u>Oehlke</u>		✓	✓		<u>Martinson</u>		✓		
<u>Matherse</u>		✓	✓		<u>Boe</u>		✓		
Total Senate Vote					Total Rep. Vote				

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Krebsbach House Carrier Streyle

LC Number 17.8076.02010. of amendment

LC Title # .04000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2119, as engrossed: Your conference committee (Sens. Krebsbach, Oehlke, Mathern and Reps. Streyle, Martinson, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1266-1267, adopt amendments as follows, and place SB 2119 on the Seventh order:

That the House recede from its amendments as printed on pages 1266 and 1267 of the Senate Journal and pages 1411 and 1412 of the House Journal and that Engrossed Senate Bill No. 2119 be amended as follows:

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 4, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota may lease to Rolette County, as allowed by state and federal law, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota may lease the property to Rolette County for a sum of one dollar until the property is sold. The lease must provide that all operational and maintenance costs related to the property are the responsibility of Rollette County until the property is sold."

Page 1, line 4, after "**DAKOTA**" insert "**- ROLLA PROPERTY - BUDGET SECTION APPROVAL**"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. The office of management and budget shall determine the most efficient and cost-effective use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient and cost-effective use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office, as allowed by state and federal law. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

ReNUMBER accordingly

Engrossed SB 2119 was placed on the Seventh order of business on the calendar.

2017 TESTIMONY

SB 2119



SB 2119
1-24-2019 #1

PO Box 5507 • Bismarck, ND 58506-5507
701-328-2825 (Phone) • 800-366-6888 (TTY) • 701-328-4000 (Fax)

Senate Bill 2119

Testimony of Cheri Giesen
Job Service North Dakota
Before the
Senate Committee On
House Appropriations
Senator Ray Holmberg, Chair
January 24, 2017

Mr. Chairman, members of the committee, I am Cheri Giesen, Executive Director of Job Service North Dakota. I am here today in support of Senate Bill 2119.

Due to federal funding shortfalls over the last decade, Job Service has been faced with the need to continually identify and implement cost saving measures. Most recently in January 2016, the difficult decision was made to reduce our staffing levels and our statewide office footprint as we transitioned to a regional service delivery model. Review of office workloads, customer traffic and locations played a critical role in making the difficult decision to reduce our statewide office footprint. At the time of our transition, we closed seven local offices. Although we had leased office space for most of the closed offices, we were left with two vacant properties that we own: Grafton and Rolla. Authority to sell the Grafton office was provided to Job Service during the 2009 session, but authority to sell the Rolla office has not been previously requested. As a result, this bill requests authority to sell the Rolla office.

As we analyzed customer traffic patterns we also reviewed each of our facilities to identify any cost saving opportunities. A significant cost for Job Service is maintaining facilities. As buildings have aged we have encountered significant charges for which normal funding streams do not

exist. Elevator repair, parking lot repairs and other planned and unplanned expenses are incurred. As we have analyzed our costs and looked for opportunities for savings, leasing of office space has risen as a viable option for our agency.

We recognize that in some situations, leasing may not be the most cost effective option, and in those situations we would not move in that direction. Our goal with this bill is only to gain authority to sell facilities should an opportunity for savings arise.

As our agency FTE count has declined, we find ourselves maintaining facilities for very small numbers of staff, resulting in underutilized space. In many cases we have been able to lease space to other agencies and entities in our offices. This is a practice we will continue, and is one in which we are actively pursuing in more of our facilities; as it provides a small cost savings to us through cost sharing. It should be noted that federal law does not allow Job Service to charge any more than our actual cost per square foot to entities that lease from us.

As a result of our review, we have identified two offices: Minot and our Bismarck Central office for which leasing may provide potential opportunities for cost savings.

Our Minot office is located on the far north portion of town and is not as conducive for citizen traffic as possible. Additionally, it is our understanding that a joint effort is being explored between entities in Minot that would potentially allow for our participation in locating in a more centralized location along with multiple entities. If this should come to fruition, it would provide for easier citizen access and potentially lower costs for our agency.

Our Bismarck Central office is our largest facility and houses approximately 107 individuals. This location is located on Divide Avenue, directly across the street from the Capitol Complex. This facility offers an excellent opportunity for cost sharing between agencies. We have worked with OMB Facilities Management to identify potential options for increased usage and state cost savings. To that end we do have an agency interested in leasing an entire floor from us. We are pursuing this option as it provides cost savings to both agencies. In addition to this, there may be opportunities for this agency or others to purchase the building from Job Service in the future.

Ultimately, our goal is to save money in order to continue to effectively operate the critical programs Job Service administers and to focus our efforts on the mission of the agency rather than on property management and maintenance.

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

Respectfully submitted,

Cheri Giesen

Cheri Giesen
Executive Director, Job Service North Dakota

Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities.

Sixty-fifth
Legislative Assembly
of North Dakota

_____ **BILL NO.** _____

SB 2119
1-24-2017
2

Introduced by

(At the request of Job Service North Dakota)

A BILL for an Act authorizing the state of North Dakota acting through job service North Dakota to sell certain property; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Sale of property by job service North Dakota. The state of North Dakota acting through job service North Dakota may sell and convey Parcel#29 0001 29089 000 00006700 2904000000; City of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; City of Rolla OTS Lot 18 Block 7 in the City of Rolla, Rolette County, North Dakota. Job service North Dakota may cause this property to be sold in the manner prescribed by sections 54-01-05.1 and 54-01-05.2. The provisions of section 54-01-05.5 do not apply to the sale and conveyance authorized by this Act. Net proceeds from the sale must be used as authorized and directed by law, and General fund proceeds must be deposited in the Job Service Federal Advanced Interest Repayment (FAIR) Fund.

SECTION 2. Sale of property by job service North Dakota. The state of North Dakota acting through job service North Dakota may sell and convey Lots 5 & 6, Block 5, Airport Industrial Addition to the City of Minot, Ward County, North Dakota. Job service North Dakota may cause this property to be sold in the manner prescribed by sections 54-01-05.1 and 54-01-05.2. The provisions of section 54-01-05.5 do not apply to the sale and conveyance authorized by this Act. Net proceeds from the sale must be

Sixty-first
Legislative Assembly

used as authorized and directed by law, and General fund proceeds must be deposited in the Job Service Federal Advanced Interest Repayment (FAIR) Fund.

SECTION 3. Sale of property by job service North Dakota. The state of North Dakota acting through job service North Dakota may sell and convey Parcel# 0485-010-045; Lot# N.50' OF L 3,All L4-6, ALL L17-19; Block# 10; Addition- TIBESAR'S 1ST in the City of Bismarck, Burleigh County, North Dakota. Job service North Dakota may cause this property to be sold in the manner prescribed by sections 54-01-05.1 and 54-01-05.2. The provisions of section 54-01-05.5 do not apply to the sale and conveyance authorized by this Act. Net proceeds from the sale must be used as authorized and directed by law, and General fund proceeds must be deposited in the Job Service Federal Advanced Interest Repayment (FAIR) Fund.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Job Service North Dakota - Budget No. 380
Senate Bill No. 2016

SB 2119
2-1-17 #1

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0	56.15	\$12,798	\$12,603,617	\$12,616,415
<i>Salary increase - Performance</i>				0				0				0
Health insurance increase		3,048	451,863	454,911				0		(3,048)	(451,863)	(454,911)
<i>Employee portion of health insurance</i>		(1,597)	(236,712)	(238,309)				0		1,597	236,712	238,309
Reduces funding for operating expenses			(2,727,902)	(2,727,902)				0			2,727,902	2,727,902
Increases funding for participant training contract grants			54,245	54,245				0			(54,245)	(54,245)
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)				0		930,083		930,083
<i>Eliminates funding for Workforce 20/20 program</i>		(502,407)		(502,407)				0		502,407		502,407
Reduces Reed Act funding			(1,460,560)	(1,460,560)				0			1,460,560	1,460,560
Total ongoing funding changes	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	0.00	\$0	\$0	\$0	56.15	\$1,443,837	\$16,522,683	\$17,966,520
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	0.00	\$0	\$0	\$0	56.15	\$1,443,837	\$16,522,683	\$17,966,520
2017-19 Total Funding	181.61	\$444,243	\$53,945,183	\$54,389,426	237.76	\$1,888,080	\$70,467,866	\$72,355,946	56.15	\$1,443,837	\$16,522,683	\$17,966,520
										325.0%	30.6%	33.0%

Other Sections in Job Service North Dakota - Budget No. 380

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version
Reed Act funds	Section 3 provides a special fund appropriation of \$11,213,427 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	

17.8076.0100
Title .

2-1-17 *SB 2119 Subcommittee*
Adopted by the Industry, Business and Labor Committee
~~January 25, 2017~~ *#2*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 2119 SALE OF JOB SERVICE
PROPERTY *P1*

Page 1, line 11 after "law." insert "General fund proceeds must be deposited in the job service federal advanced interest repayment fund."

Page 1, line 18 after "law." insert "General fund proceeds must be deposited in the job service federal advanced interest repayment fund."

Page 2, line 2 after "law." insert "General fund proceeds must be deposited in the job service federal advanced interest repayment fund."

Renumber accordingly

Submitted SB 2019 + 2016 #3
2-1-17
PI



Krebsbach, Karen K.
Tuesday, February 07, 2017 3:19 PM
TLBoe@nd.gov; NDLA, S APP ASST - Laning, Rose
FW: Job Service North Dakota - Rolla Property
Rolla Property Deed.pdf

From: Kinnischtzke, Levi
Sent: Tuesday, February 7, 2017 2:35 PM
To: Krebsbach, Karen K. <kkrebsbach@nd.gov>
Subject: Job Service North Dakota - Rolla Property

Senator Krebsbach,

I called Rolette County concerning the Job Service North Dakota building and land located in Rolla, North Dakota. The clerk confirmed that the building and land, which matches the property listed in Section 1 of Senate Bill 2119, is indeed owned by Job Service North Dakota. The clerk provided a copy of the deed on file, which matches the records I viewed with Job Service North Dakota. In addition, the Department of Trust Lands has confirmed that the property in question, including the land, is not owned by their department.

Attached you will find the copy of the deed provided by the clerk. On the top of the page, you will note the sale from First [redacted] to Job Service North Dakota, dated December 29, 1986 and signed February 6, 1987.

I have had discussions with Job Service North Dakota on this topic and they are prepared to discuss the matter further and provide additional documentation to support the ownership of the property by Job Service if necessary at the next subcommittee meeting on Senate Bill No. 2119 or Senate Bill No. 2016.

If you have any additional questions, please let me know.

Thank you.

Levi Kinnischtzke, CPA
Fiscal Analyst
North Dakota Legislative Council
(701)-328-3694
lkinnischtzke@nd.gov



2-1-17 SB 2019+2016 Subcommittee #3 p2

THIS INDENTURE, Made this 29th day of December, 1986, between First Bank Rolla, P.O. Box 789, Rolla, North Dakota 58367 a corporation under the laws of the State of North Dakota grantor, and The State of North Dakota in trust for the use and benefit of Job Service, North Dakota a corporation under the laws of the State of North Dakota grantee, whose post office address is 1000 East Divide Ave., Box 1537, Bismarck, ND 58502

WITNESSETH, For and in consideration of the sum of ONE DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, grantor does hereby GRANT to grantee, all of the following real property lying and being in the County of Rolette and State of North Dakota, and described as follows, to-wit:

Lots Seventeen (17) and Eighteen (18), in Block Seven (7), in the Original Townsite of the City of Rolla, Rolette County, North Dakota

I certify that this transaction is exempt from the provisions of N.D.C.C. Section 11-18-02.2, because it is a sale to a government agency.

Signed: Michael Deising Date: 2/6/87 Grantee or Agent

And the grantor for itself, its successors and assigns, does covenant with the grantee that it is well seized in fee of the land and premises aforesaid and has good right to sell and convey the same in manner and form aforesaid; that the same are free from all incumbrances, except installments of special assessments or assessments for special improvements which have not been certified to the County Auditor for collection,

and the above granted lands and premises in the quiet and peaceable possession of said grantee, against all persons lawfully claiming or to claim the whole or any part thereof, the said grantor will warrant and defend.

IN TESTIMONY WHEREOF, The said grantor has caused these presents to be executed in its corporate name by its and its and its corporate seal to be hereunto affixed.

FIRST BANK ROLLA

By Carl R. Loh President

In the presence of

By Daniel B. Willmer Vice President

STATE OF NORTH DAKOTA COUNTY OF ROLETTE ss.

On this 29th day of December, 1986, before me, personally appeared and

to me known to be the President and Vice President of the corporation that is described in, and that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

My commission expires: ARNE F. BOYUM, JR. Sept 25, 1990 September 25 1990

Arne F. Boyum, Jr. Notary Public County, N. D.

STATE OF NORTH DAKOTA COUNTY OF ROLETTE ss.

I hereby certify that the within Deed was filed in this office for record on the 12th day of February, 1987, at 1:45 o'clock P.M. and was duly recorded as Document No. 33546 in Book "67" of Deeds, Page 321.

By Colleen J. Bertsch Register of Deeds Deputy

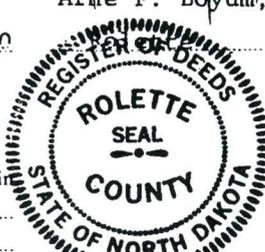


Table with 2 columns: Field Name and Value. Fields include DOC. NO., COPIED, GRANTOR, GRANTEE, COMPARED, TRACT, MARGINED.

and special assessments or installments of special assessments paid and transfer entered this 12th day of February, 1987.

By Judith H. Bopp County Auditor Deputy

February 3, 2017

SB 2119
2-14-17
1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2119

Page 1, line 11, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Page 1, line 18, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Page 2, line 2, after the period insert "Net proceeds from the sale must be considered received proportional to the funding sources used for the original purchase of the property by Job Service North Dakota. The general fund proportional amount of net proceeds from the sale must be deposited in the job service federal advanced interest repayment fund."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The amendment provides for the deposit of \$1,762,187 from the net proceeds of the sale of three Job Service North Dakota properties into the job service federal advanced interest repayment fund rather than the general fund.

SB 2119

3-13-2017

att 1



PO Box 5507 • Bismarck, ND 58506-5507
701-328-2825 (Phone) • 800-366-6888 (TTY) • 701-328-4000 (Fax)

Senate Bill 2119
Testimony of Cheri Giesen
Job Service North Dakota
Before the
House Committee on
Appropriations – Education and Environment Division
Representative Monson, Chair
March 13, 2017

Mr. Chairman, members of the committee, I am Cheri Giesen, Executive Director of Job Service North Dakota. I am here today in support of Senate Bill 2119.

Due to federal funding shortfalls over the last decade, Job Service has been faced with the need to continually identify and implement cost saving measures. Most recently in January 2016, the difficult decision was made to reduce our staffing levels and our statewide office footprint as we transitioned to a regional service delivery model. Review of office workloads, customer traffic and locations played a critical role in making the difficult decision to reduce our statewide office footprint. At the time of our transition, we closed seven local offices. Although we had leased office space for most of the closed offices, we were left with two vacant properties that we own: Grafton and Rolla. Authority to sell the Grafton office was provided to Job Service during the 2009 session, but authority to sell the Rolla office has not been previously requested. As a result, this bill requests authority to sell the Rolla office.

As we analyzed customer traffic patterns we also reviewed each of our facilities to identify any cost saving opportunities. A significant cost for Job Service is maintaining facilities. As buildings have aged we have encountered significant charges for which normal funding streams do not

exist. Elevator repair, parking lot repairs and other planned and unplanned expenses are incurred. As we have analyzed our costs and looked for opportunities for savings, leasing of office space has risen as a viable option for our agency.

We recognize that in some situations, leasing may not be the most cost effective option, and in those situations we would not move in that direction. Our goal with this bill is only to gain authority to sell facilities should an opportunity for savings arise.

As our agency FTE count has declined, we find ourselves maintaining facilities for very small numbers of staff, resulting in underutilized space. In many cases we have been able to lease space to other agencies and entities in our offices. This is a practice we will continue, and is one in which we are actively pursuing in more of our facilities; as it provides a small cost savings to us through cost sharing. It should be noted that federal law does not allow Job Service to charge any more than our actual cost per square foot to entities that lease from us.

As a result of our review, we have identified two offices: Minot and our Bismarck Central office for which leasing may provide potential opportunities for cost savings.

Our Minot office is located on the far north portion of town and is not as conducive for citizen traffic as possible. Additionally, it is our understanding that a joint effort is being explored between entities in Minot that would potentially allow for our participation in locating in a more centralized location along with multiple entities. If this should come to fruition, it would provide for easier citizen access and potentially lower costs for our agency.

Our Bismarck Central office is our largest facility and houses approximately 107 individuals.

This location is located on Divide Avenue, directly across the street from the Capitol Complex.

This facility offers an excellent opportunity for cost sharing between agencies. We have worked with OMB Facilities Management to identify potential options for increased usage and state cost savings. To that end we do have an agency interested in leasing an entire floor from us. We are pursuing this option as it provides cost savings to both agencies. In addition to this, there may be opportunities for this agency or others to purchase the building from Job Service in the future.

Ultimately, our goal is to save money in order to continue to effectively operate the critical programs Job Service administers and to focus our efforts on the mission of the agency rather than on property management and maintenance.

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

Respectfully submitted,

Cheri Giesen

Cheri Giesen
Executive Director, Job Service North Dakota

Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities.

3-16-2017

SB 2119

att 1

ROLLA LOCAL C

	Total Cost	Wagner Pyser	Unemployment Insurance	State of North Dakota
Purchased property from First Bank of Rolla				
Lots (December 1986)	\$1.00	\$0.50	\$0.50	
Building (February 1987)	\$25,000.00	\$12,500.00	\$12,500.00	
Remodel in order to occupy (1987)				
Architect-Design	\$1,511.58	\$755.79	\$755.79	
Wiring/Heating	\$7,583.00	\$3,791.50	\$3,791.50	
Wallcovering	\$767.53	\$383.77	\$383.76	
Paint & Clean	\$2,857.59	\$1,428.79	\$1,428.80	
Glass Replacement	\$708.19	\$354.09	\$354.10	
Plumbing	\$3,970.40	\$1,985.20	\$1,985.20	
General Remodeling	\$10,468.20	\$5,234.10	\$5,234.10	
Total Remodel Investment in 1987 (Add'l Work Needed)	\$52,867.49	\$26,433.74	\$26,433.75	\$0.00
Additional Work to Occupy (1987 and 1988)				
Wiring/Duct Work	\$6,621.00		\$6,621.00	
Architect-Roof	\$4,345.72		\$4,345.72	
Roof	\$22,340.00		\$22,340.00	
	\$33,306.72		\$33,306.72	\$0.00
Total Investment in first 1.75 years	\$86,174.21	\$26,433.74	\$59,740.47	\$0.00
		30.67%	69.33%	
Subsequent Investments (NOTE: From 1990 to 2017 many improvements were made but not capitalized & noted within finance capitalization documentation)				
Furnace replacement - first unit not sufficient (1990-1991)	\$22,001.75	\$11,000.88	\$11,000.88	
1000 gallon propane tank, permits, concrete pad, concrete guard posts (1991)	\$7,726.00	\$3,863.00	\$3,863.00	
Furnace and Lighting Upgrades (2003)	\$6,000.00	\$3,000.00	\$3,000.00	
TOTAL INVESTMENTS 1987 to 2003	\$121,901.96	\$44,297.62	\$77,604.35	
		36.34%	63.66%	

AH #1
SB 2119
3/27/17

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide legislative intent;"

Page 1, after line 3, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the office of the attorney general and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota shall lease to Rolette County, Parcel#29 0001 29089 000 00006700 2904000000; City of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; City of Rolla OTS Lot 18 Block 7 in the City of Rolla, Rolette County, North Dakota. Job service North Dakota shall lease the property to Rolette County for a sum of one dollar until the property is sold."

Page 1, line 4, after "**DAKOTA**" insert "**- ROLLA PROPERTY - BUDGET SECTION APPROVAL**"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

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"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION.

Beginning May 1, 2017, Job service North Dakota shall lease to the office of the attorney general ~~_____~~ percent, ~~no more space as necessary to collocate all offices of the attorney general located in Bismarck, except those housed in the state capitol, Parcel# 0485-010-045; Lot# N.50' OF L 3, All L4-6, ALL L 17-19; Block# 10;~~ Addition- TIBESAR'S first in the City of Bismarck, Burleigh County, North Dakota. During the 2017-19 biennium, with the exception of its operations using up to ~~_____~~ percent of the total square feet, Job service North Dakota shall relocate to, Parcel# 0729-001-001; Lot# 1; Block# 1; Addition- Wisdom Office Park in the City of Bismarck, Burleigh County, North Dakota.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES.

It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

4-18-17 SB 2119

#1
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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

That the House recede from its amendments as printed on page 513 of the Senate Journal and pages 1411 and 1412 of the House Journal and that Engrossed Senate Bill No. 2119 be amended as follows:

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 4, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota may lease to Rolette County, as allowed by state and federal law, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota may lease the property to Rolette County for a sum of one dollar until the property is sold. The lease must provide that all operational and maintenance costs related to the property are the responsibility of Rollette County until the property is sold."

Page 1, line 4, after "DAKOTA" insert "- ROLLA PROPERTY - BUDGET SECTION APPROVAL"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

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p2

Page 2, replace lines 1 through 11 with:

"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. The office of management and budget shall determine the most efficient and cost-effective use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient and cost-effective use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office, as allowed by state and federal law. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly