

1999 SENATE APPROPRIATIONS

SB 2065 .

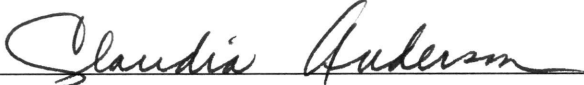
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2065

Senate Appropriations Committee

Conference Committee

Hearing Date 1/19/99

Tape Number	Side A	Side B	Meter #
2	X	X	255-4140
2/11/99 1	x		120-170
Committee Clerk Signature 			

Minutes:

SENATOR NETHING: Opened the hearing on SB 2065, A BILL for an Act to provide for the issuance and sale of self-liquidating, tax-exempt bonds for renovating and expanding the student union at Dickinson State University; to provide an appropriations; and to declare an emergency.

JOE MORRISSETTE: (LC) as a member of the Legislative Council, I am not here to testify for or against this bill, merely to present background information on the bill. At the October meeting of the budget section, the committee asked that a bill draft be prepared which is now SB 2065. At the Oct. meeting they indicated this project was authorized by the '95 Legislative Assembly and that HB 1003 authorized the project for that biennium only for \$2M of bonds for the project. For various reasons the bill did not move forward during that biennium so this bill was requested to re-authorize the project to allow it to take place now. The \$1.5M that is in SB 2065 was approved by the Board of Higher Education through Dickinson State before it was presented to the budget section. The \$1.5M of bonding is part of the Executive recommendation for DSU. The other \$2.2M for total project costs for \$3.7M is in HB 1003. It is my understanding that amendments have been offered which would remove that funding from HB 1003 so that the total funding would be included in SB 2065. The bill is worded so that it authorizes \$1.5M of bonding, it appropriates those proceeds and appropriates other funds from other federal, private, or other sources that are available for the project.

SENATOR NETHING: Without any amendments, is this bill ready to provide necessary appropriations?

JOE MORRISSETTE: Yes, it doesn't specify other funds, it just appropriates "other funds that are available. There would be no modifications necessary no matter what the House action would be.

FRANCIS WALD: Speaker of the House of Representatives and Representative from Dickinson to testify in support of SB 2065. This bill was authorized two sessions ago. For various reasons,

it was delayed; however, we are ready to move forward now. I hope the committee would give us a unanimous do pass.

LARRY ISAAK: Board of Higher Education, Chancellor, to testify in support of SB 2065. The project has been reviewed by our office and by the Board of Higher Education, and the budget section.. We are pleased the budget section introducing this bill.

The '95 legislation was for \$2M revenue bonds, and then it said, "in addition any private or federal funds could be appropriated in addition to the \$2M revenue bonds. The project turned out to be more than \$2M in revenue bonds, but we weren't going to go to \$2M in revenue bonds, we were going to go less than that--\$1-1.5M in revenue bonds and supplement the bonds with other sources of money. DSU has reserves in auxiliary enterprises (dorms and food service) and has accumulated reserves that could be put toward the project rather than bonds. During the interim, there was a ruling that the money from the oil that was being pumped out beneath the stadium had to be used for DSU and also part of it for Dickinson Experiment Station. However, the legislation was written such that we did not feel we had the authority to go ahead. The general revenue authority, section 15-55 states that the state has 4 years to issue revenue bonds. However, the way it was written in '95 had specifically listed for the biennium beginning July 1, 1995 and ending June 30, 1997. The Attorney General's office ruled the bill specifically stated during that biennium so we could not go ahead during the last biennium.

SENATOR ANDRIST: Are all operating costs for self-liquidating student facilities paid for by revenue generated there?

LARRY ISAAK: All costs except utilities. There are provisions in bonds that utilities be paid by the state.

SENATOR ANDRIST: Help me understand why oil underneath university lands would be the students rather than the universities.

LARRY ISAAK: It is the universities. We proposed using these moneys so the bonding would be less and the students would not have to repay a larger amount of bonds. That was a source of money we decided to put toward this project.

SENATOR ANDRIST: The oil really belongs to the state.

LARRY ISAAK: Yes, it belongs to the state because DSU, ND Board of Higher Education, is the State of ND.

SENATOR ANDRIST: Wouldn't that take a legislative act to appropriate those funds?

LARRY ISAAK: The legislation in front of you appropriates all other funds for the project in addition to the revenue bonds so in effect you are appropriating other funds. We're letting you know what those sources are. If you chose to do something different, that would be your decision.

SENATOR SOLBERG: I understand the situation. I voted against it in budget session because I think we're setting a precedence. Aren't we going to come up against situations like this again. Why shouldn't this go the regular channels of all of the other bonding bills that we're going to see in Higher Education?

LARRY ISAAK: You approved this project two session ago. At that time everyone thought the legislation covered all of the different contingencies that come along in projects like this. However, the legislation did not cover all of those contingencies because it was drafted differently than other revenue bonding legislation had been drafted in the past. The project is ready to go.

SENATOR ANDRIST: What does "other sources" mean?

LARRY ISAAK: It is broad language. It provides flexibility for the institutions and the Board of Higher Education.

SENATOR TALLACKSON: One of the advantages of the delay is the better bond rates.

DR RICHARD BRAUHN: Dickinson State University, Interim President to speak in favor of SB 2065. (testimony attached) (tape 1665-2615).

SENATOR ST. AUBYN: The \$331,000 asbestos litigation funds, that is work that is already completed, correct? Are those asbestos designated funds?

DR RICHARD BRAUHN: Yes, we would have gone ahead with the asbestos removal. The work began this fall, but is not yet completed.

SENATOR ST. AUBYN: I do not see how the \$16 student fee increase based on 1800 student will be enough to support the \$1.5M bond issue. Without interest or anything that only generates a little over \$1M.

DR RICHARD BRAUHN: In addition to student fees, we have other revenues as well. It is not the sole means of paying off the bonds; rather a way for students to contribute to the project.

SENATOR GRINDBERG: What percentage of the project do you have contingency funds built in?

DR RICHARD BRAUHN: We are working with a \$3.2M budget, we think it may go higher than that. Then we will may have to request an increase in bonding or we can take it out of our reserves. If the contingency is 15-20 percent, we will easily have that covered with the dollars we have.

SENATOR ROBINSON: I know you contract with Marriott food services. Are they financial participants in upgrading the facility--especially the food service portion of it?

DR RICHARD BRAUHN: The Marriott Food Service has committed to refurbishing the food service cafeteria entirely with equipment of their own. It is a substantial gift from private enterprise.

SENATOR KRAUTER: The \$16 fee--is that prorated.

DR RICHARD BRAUHN: Yes, \$16 for full-time students, half that for less.

SENATOR NAADEN: Moved a do pass on SB 2065.

SENATOR KRAUTER: Seconded the motion.

SENATOR NETHING: Questions

SENATOR ANDRIST: Isn't all money generated by state institutions generated from administrative services supposed to fall back into the general fund? How does oil money become part of student fees unless it is part of our explicit part of our appropriation? Can other institutions receive money from leasing out land, etc.?

ALLEN KNUDSON: (LC) There is quite a bit of flexibility within the higher education budget regarding their auxiliary revenues and it does not have to go to the general fund. Tuition is appropriated and their income from the land department is appropriated, but other than that most funds are off the appropriated amounts. I believe there was a legal interpretation regarding the oil money and that did not have to be appropriated but could be handled similar to auxiliary funds.

PAT SEAWORTH: Higher Education counsel. Historically the legislature appropriated to higher education institutions general fund dollars and tuition income. The practice since the oil lease is that the legislature has not specifically appropriated a whole list of other fund categories, including student fees, room and board fees, grants and contracts, other income and revenues generated by the institutions. The practice has been to include language in the appropriations measure stating it is federal, state, and other income is hereby appropriated. That is the only reference to the appropriation of all of these other funds which amounts to more than half of the annual institution's budgets. We have been receiving oil revenues for a number of years and those funds have never been specifically appropriated, they have been considered to be included in this category of other funds along with other revenue generated at the institutions including leases, rental income, that is not specifically appropriated. (tape 3375)

SENATOR ANDRIST: I am in support of the project if we want to appropriate that oil revenue, but I think this is a bad practice. This is a state revenue source, not a student revenue source. I think it should be specifically appropriated if we want it in there.

SENATOR SOLBERG: I am not opposed to the project, but I will be voting against it as I think we are setting a precedence. When we've had other projects that were approved and then didn't come through, etc. they're going through the regular channels. I voted against this in budget section and I'm going to vote against it again today.

SENATOR NETHING: Yes, we are setting a precedent for any building that was authorized by this legislature in 1995 that wasn't completed and followed through. If there is another building that comes along that we didn't complete and appropriated money for in 1995, this will set a precedent that it will be this way. As far as any authorization for this session, it is totally different. We have already gone this route, all we are trying to do is to correct a glitch. I think it is totally different from any other project that we are going to have in front of us. The only exception is going to be the animal health building at NDSU. That again is one we acted on, except there we acted on it in 1997. You are right if you are referring to 1995 authorizations. I disagree with you if you think we are setting a precedence on 1999 appropriations.

SENATOR SOLBERG: In another four years, we may have a project that was approved in 1999, and have a similar request. Are we going to do it this way, or go through the normal channels.

ROLL CALL: 12 ayes; 2 nays.

MOTION CARRIED TO DO PASS SB 2065.

Ayes: Nething, Naaden, Lindaas, Tallackson, Tomac, Robinson, Krauter St. Aubyn, Grindberg, Holmberg, Kringstad, Bowman

Nays: Solberg, Andrist.

CARRIER: Senator Nething.

SENATOR NETHING: Closed the hearing on SB 2065

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2/11/99 (tape 120-170)

SENATOR NETHING: Presented the amendment, 90247.0201, Title 0300, offered on the Senate floor to SB 2065.

SENATOR HOLMBERG: Moved to concur with amendment to SB 2065.

SENATOR ROBINSON: Seconded the motion.

ROLL CALL: UNANIMOUS VOICE VOTE CONCURRENCE

MOTION CARRIED TO CONCUR WITH AMENDMENTS TO SB 2065

Date: 1/19/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2065

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Passed

Motion Made By Senator Naaden Seconded By Senator Krauter

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg		✓			
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist		✓			

Total (Yes) 12 No 2

Absent _____

Floor Assignment Senator Nething

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

REPORT OF STANDING COMMITTEE (410)
January 19, 1999 3:40 p.m.

Module No: SR-10-0859
Carrier: Nething
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2065: Appropriations Committee (Sen. Nething, Chairman) recommends DO PASS
(12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2065 was placed on the
Eleventh order on the calendar.

1999 HOUSE APPROPRIATIONS

SB 2065

1999 HOUSE STANDING COMMITTEE MINUTES
BILL/RESOLUTION NO. SENATE BILL 2065

House Appropriations Committee

Conference Committee

Hearing Date JANUARY 27, 1999

Tape Number	Side A	Side B	Meter #
ONE	X		0.9 -39.3
Committee Clerk Signature <i>Kathleen Jones</i>			

Minutes: **A BILL for an Act to provide for the issuance and sale of self-liquidating, tax-exempt bonds for renovating and expanding the student union at Dickinson state university; to provide an appropriation; and to declare an emergency.**

1A: 0.1-0.9 Vice Chairman Byerly called the hearing for SB2065 to order.

1A: .9-8.9 Dr. Richard D. Brauhn, Interim President, Dickinson State University, reviewed the bill for the committee. This is a re-authorization of a bonding authority issued by the 1995-97 Legislative Assembly. One change in the actual bill is line 14 that states "necessary, plus any available funds received from federal, private or **other sources**, are hereby". Those key words, **other sources** clarifies the interpretation of the bill. This is a revenue issue for \$1,500,000. The total estimated costs associated with the Student Center project amount of approximately \$3.2 - \$3.7million. The source of funding would be: Asbestos Litigation funds of \$331,000; Existing Auxiliary Reserves of \$1,200,000; Proposed Revenue Bond Issue of \$1 to \$1.5 million; Oil Production Royalties of \$500,000 and Philanthropy Funds of \$169,000. (See page's 2-4, Testimony on SB2065, Dickinson). The emergency status of SB2065 is requested in anticipation of beginning the interior aspects of the renovation project as soon as after Legislative approval, pending weather. Timeline of the project is listed on page five of the testimony. Also, on page 15 of the testimony it should be noted that the total auxiliary Bonds for Dickinson State University is at \$45,000.00 that would be paid in full prior to the new issue. At this time the school has no negative unpack against the institution. (See enclosed Dickinson State Student Union Book.)

1A:8.9 - 10.7 Rep. Hoffner asked where the oil royalties have been used in the past. Dr. Brauhn stated the well in under the football field and the university has the deed to the property. The royalties from those minerals are put in a trust fund that is managed by the school. There is a sharing of funding with the experiment station as the former land owners.

1A:10.7 - 15.5 Rep. Carlson asked if there was enough money from the asbestos settlement to remove the asbestos from the campus building. Dr. Brauhn stated all the asbestos could be removed with the money from the settlement on campus but he was not aware if all the asbestos in the University System could be removed.

1A: 16.4 - Rep. Byerly inquired as to the Existing Auxiliary Reserves as to the balance of the fund and where these moneys are dived. Also, are the oil royalties in the bank? Dr. Brauhn state that the money comes from the sales of books, housing rentals and food. This funds is usually used for repairs and renovations. The \$500,000 of oil royalties as stated in the proposal are in the bank. The actual balance of the fund maybe about \$650,000.

1A:19.3 - 38.5 Discussion took place regarding the various dollar amounts for bonding, the possibilities of additional revenues and where costs could go on this project.

1A: 38.5 - 41.3 Chairman Dalrymple stated that Legislative Assembly just wants everyone to be comfortable with for the next two year's the final dollar number to complete the project. Larry Isaak will be working the Chairman Dalrymple to amend SB 2065.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SENATE BILL 2065

House Appropriations Committee

Hearing Date JANUARY 29, 1999

Tape Number	Side A	Side B	Meter #
ONE	X		2.0 -6.5
Committee Clerk Signature			

Minutes: **A BILL for an Act to provide for the issuance and sale of self-liquidating, tax-exempt bonds for renovating and expanding the student union at Dickinson state university; to provide an appropriation; and to declare an emergency.**

1A: 2.0 Chairman Dalrymple called the hearing on SB 2065 to order. The Chairman explained that the amendment for SB 2065 was in front of everyone. The University System has prepared an amendment to capped this project at a grant total of three point seven million.

1A:2.4 Rep. Poolman moved that the amendment be adopt as presented. Seconded by Rep. Boehm. No discussion. A voice vote carried the amendment.

1A: 2.6 Rep. Byerly moved for a DO PASS on SB 2065 as amended. Motion was second by Rep. Boehm. The vote for a DO PASS was sixteen yeas, one nay and two absent and note voting.

Date: JANUARY 28, 1999
Roll Call Vote #: ONE

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SENATE BILL 2065

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By REP. BYERLY Seconded REP. KERZMAN
By _____

Representatives	Yes	No	Representatives	Yes	No
Rep. Ole Aarsvold	X		Rep. Jim Poolman	X	
Rep. LeRoy G. Bernstein	X		Rep. Ken Svedjan	X	
Rep. James Boehm	X		Rep. Mike Timm	X	
Rep. Rex Byerly	X		Rep. Ben Tollefson	X	
Rep. Ron Carlisle	X		Rep. Janet Wentz	X	
Rep. Al Carlson	X		Chairman Dalrymple	X	
Rep. Jeff Delzer		X			
Rep. Pam Gulleason	X				
Rep. Serenus Hoffner	X				
Rep. Robert Huether <i>ABSENT</i>					
Rep. James Kerzman	X				
Rep. Ed Lloyd	X				
Rep. David Monson	X				
Rep. Ron Nichols - ABSENT					

Total (Yes) SIXTEEN (16) No ONE (1)

Absent TWO (2)

Floor Assignment Rep. JIM KERZMAN, District 35



If the vote is on an amendment, briefly indicate intent: TO LIMIT THE TOTAL EXPENDITURE OF A BUILDING PROJECT.

1/29/99

Date:
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House **APPROPRIATION** Committee

Subcommittee on SB 2065
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do PASS -

Motion Made By Byerly Seconded By Kerzman

Representatives	Yes	No	Representatives	Yes	No
Rep. Ole Aarsvold	✓		Rep. Ronald Nichols 0		
Rep. LeRoy G. Bernstein	✓		Rep. Jim Poolman	✓	
Rep. James Boehm	✓		Rep. Ken Svedjan	✓	
Rep. Rex R. Byerly	✓		Rep. Mike Timm	✓	
Rep. Al Carlson 0	✓		Rep. Ben Tollefson	✓	
Rep. Ron Carlisle	✓		Rep. Janet Wentz	✓	
Rep. Al Carlson	✓		Chairman Jack Dalrymple	✓	
Rep. Jeff Delzer		✓			
Rep. Pam Guleson	✓				
Rep. Serenus Hoffner	✓				
Rep. Robert Huether 0 -					
Rep. James Kerzman	✓				
Rep. Ed Lloyd	✓				
Rep. David Monson	✓				

Total (Yes) 16 No 1

Absent 3

Floor Assignment Kerzman

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

REPORT OF STANDING COMMITTEE

SB 2065: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). SB 2065 was placed on the Eleventh order on the calendar.

Page 1, line 14, after the fourth comma insert "not to exceed a total of \$3,700,000 of all funds for the project,"

Renumber accordingly

1999 TESTIMONY

SB 2065

Dickinson State University

Richard D. Brauhn, Interim President



Testimony on Senate Bill 2065

Dickinson State University

Dickinson, North Dakota 58601-4896



Office of the President

Telephone (701) 227-2326
Fax (701) 227-3712

EXPLANATION OF THE REQUEST FOR REAUTHORIZATION OF BONDING AUTHORITY IN SUPPORT OF THE STUDENT CENTER RENOVATION PROJECT AT DICKINSON STATE UNIVERSITY

December 28, 1998

Dickinson State University is currently in the planning phase to renovate 30,530 square feet within the existing campus Student Center and expand the building by an additional 10,300 square feet. The original Student Center was built in 1962 when the University had an enrollment of 879 students. Because of increased use and growing student enrollment, the renovation of the Student Center has been on the University's master plan for facility renovation/construction since 1994. This fall, the enrollment at DSU was 1,800 students.

Total estimated costs associated with the Student Center project amount to approximately \$3.2 million. The proposed sources of funds in support of the overall project are:

Asbestos Litigation Funds	\$ 331,000
Existing Auxiliary Reserves	1,200,000
Proposed Revenue Bond Issue	1,000,000 – 1,500,000
Oil Production Royalties	500,000
Philanthropic Funds	169,000

Total	\$ 3,200,000 – 3,700,000

During the 1995 Legislative Assembly, House Bill 1003 was passed with Sections 10 and 11 permitting the issuance of self-liquidating bonds in an amount not to exceed \$ 2 million. The authority for the issuance of these bonds was established for the Biennium beginning July 1, 1995, and ending June 30, 1997. The original cost was based on some very preliminary estimates.

As the project proceeded into the active planning stage with consulting architects and engineers drafting proposals, cost estimates for the project increased. The campus identified additional internal and external funding sources that could be used to cover the additional cost. It was near this time that the campus was fortunate enough to also receive oil royalty income. Some of this income would be used to support the project cost. In addition, due to DSU's level of auxiliary reserves, the administration decided to reduce the amount of the bond issue from \$2.0 million to approximately \$1.0 million and instead use \$1.2 million in reserves to support the project.

As the planning phase progressed, some concern was raised regarding the language in House Bill 1003 that referred to the funding sources that could be used for the project. The bill allowed for the use of proceeds from the bond sales, but also "any available funds received from federal or private sources." The phrase in quotations seemed questionable regarding the use of oil production royalties, which Dickinson State University had accumulated since the tapping of oil reserves on University property. However, because of the uncertainty of being able to use this revenue and the need to scale back some of the original renovation plans submitted by the architectural firm, the actual issuance of the bonds was not carried out during the time period specified in the House Bill.

In the fall of 1998, the University addressed the asbestos mitigation within the Student Center, a necessary task irrespective of overall facility renovation plans. Because renovation plans were still being finalized and no major work on the project had yet begun, it was decided in consultation with the Chancellor and System Office personnel, that the University should proceed to request reauthorization of the initial Legislative approval of the bonding authority in the upcoming Legislative Session prior to soliciting bids.

Therefore, Draft Bill 90247.0200 (see revised draft) was prepared by the Legislative Council staff for submittal to the Budget Section as an "emergency" piece of legislation during the Legislative pre-session on December 11, 1998. Section 1 of the new bill provides for "...the issue and sale of...tax exempt bonds in an amount not exceeding \$1.5 million ...for the purpose of renovating and expanding the student union at Dickinson State University...." This bonding revenue is \$500,000 more than the initial \$1 million calculated for funding the project and gives the University additional funding flexibility that serves to protect the institution's auxiliary reserves and provide a hedge against inflation in building costs. This raises the total available funding for the project from \$3.2 to \$3.7 million (as reflected in the executive budget) although the University is still committed to a \$ 3.2 million project. Section 2 of the bill allows the proceeds from the sale of the bonds, "...plus any available funds received from federal, private, or other sources, ...for the purpose of renovating...the student union...." The key words "or other sources" was included to provide for the use of oil production royalties and other internal funds as such and thereby avoid the interpretive issues that were present in the wording of the original bill in 1995.

SB2065, as introduced, again includes an expiration date on the revenue bond authority. DSU intends to seek a legislative amendment during the session to remove this June 30, 2001 expiration date. This is being done in the event that there is another unforeseen delay in the project so that DSU does not have to return to the Legislative Assembly again for project reauthorization.

The emergency status is requested because Dickinson State University has taken all of the Student Center functions off-line (with the exception of cafeteria dining) beginning January 1, 1999, in anticipation of beginning the interior aspects of the renovation project as soon as possible after Legislative approval in order to prepare for the exterior part of the project in April, weather permitting.

The Student Union provides food service to the University's residence hall 400+ occupants and serves as a multiple-use facility for a host of student and University activities. Although we have provided alternative plans for addressing student services needs, these plans can only be maintained for a relatively short duration of time. The University can not keep the Student Center off-line for much more than the 1999-2000 construction season without having an adverse effect on the quality of student life and University effectiveness, not to mention the negative impact on future enrollments. Thus, it is imperative that construction begins as soon as possible after being granted bonding reauthorization and funding approval.

Thank you for this opportunity to provide an explanation of the circumstances regarding Dickinson State University's request for Legislative reauthorization of bonding authority and overall funding approval for the Student Center renovation project. I appreciate your support and understanding of this request. Please contact me personally if you have any further questions.

Dr. Richard D. Brauhn,
Interim President
Dickinson State University

HULSING AND ASSOCIATES
ARCHITECTS, P.C.

485 South Main
Dickinson, North Dakota 58601
Telephone: 701-225-6871
Fax: 701-225-0003

Registered Architects
Hulsing, AIA
Prchal, AIA
William Ellis, AIA
David Nelson, AIA
Jeff Feist, AIA
Robert Ritterbush, AIA
Merlin Rudrud, AIA
Tim Mischel, AIA
Tom Reidy, AIA

September 24, 1998

Emeritus
Leslie Blake, AIA

Gary Biller
Vice President for Student Affairs
291 Campus Drive
Dickinson, ND 58601

RE: DSU Student Center

Dear Gary:

The following is a revised schedule for construction of the Student Center to adjust for approval of the bill by the Legislature.

November 16, 1998	99% Drawings to DSU for review
Mid January, 1999	Advertise
Mid February, 1999	Bid Opening
Early March, 1999	Construction Start - Phase I (Upper Level and Additions)
Mid December, 1999	Phase I Substantially complete (except for Bookstore) Owner to move Dining operations into Upper Level.
Early January, 2000	Asbestos removal of Phase II (Lower Level)
Early February, 2000	Asbestos removal complete. Construction start at Lower Level.
Early May, 2000	Construction Substantially Complete for entire project.

This is based upon the Asbestos Contractors willingness to postpone his Phase II work start from May 1999 to January 2000.

Other Offices

623 Main Street
Williston, North Dakota 58801
701-572-6759

Affiliated Offices

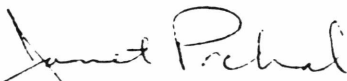
209 North Seventh Street
Bismarck, North Dakota 58501
701-223-7780

301 West Capitol
Sioux Falls, South Dakota 57501
605-336-1132

Albuquerque, New Mexico 87110
505-260-1836

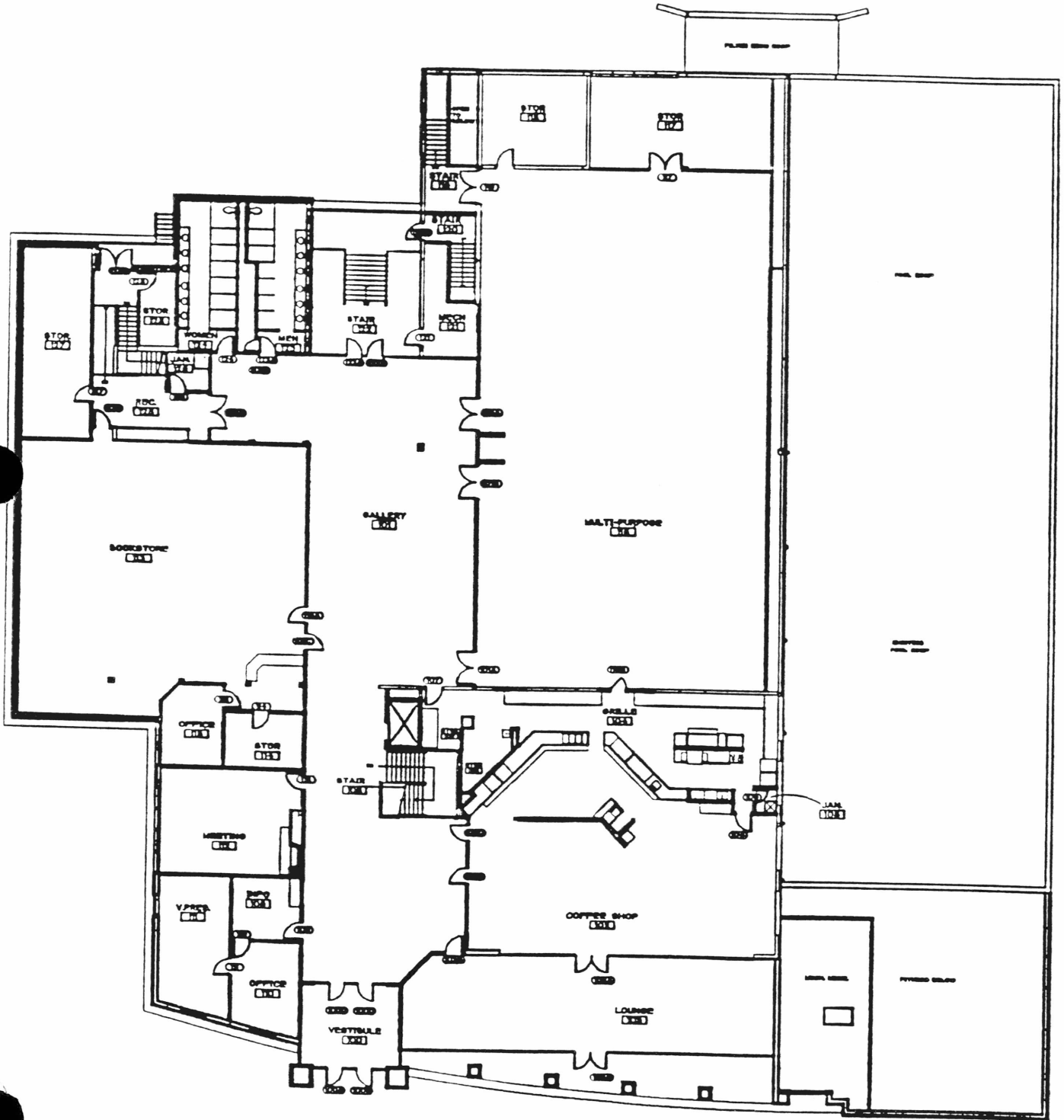
If you have any questions, please contact me.


Sincerely,

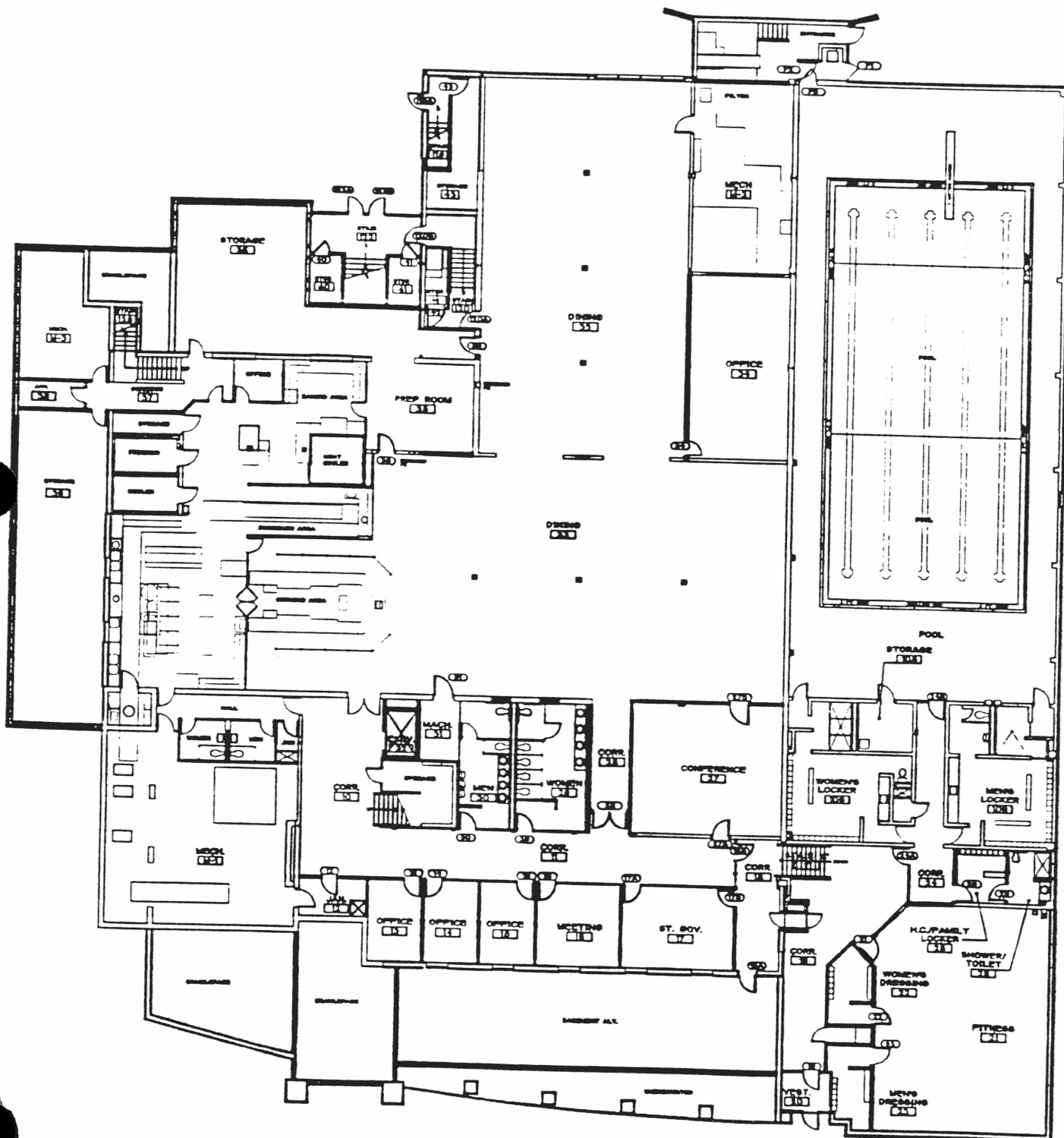


Janet Prchal, AIA

JP;jm



UPPER LEVEL PLAN 



LOWER LEVEL PLAN

Dickinson State University

Dickinson, North Dakota 58601



Stoxen Library
(701) 227-2135
Fax (701) 227-2006

Dr. Philip Conn
President, Dickinson State University

February 18, 1995

Dear Dr. Conn,

The Committee on Campus Development and Facility Utilization has met and discussed the prospect of Dickinson State University moving forward in planning for an expansion and renovation of the Dickinson State University Student Center. Recognizing that the current facility which was built to address the needs of a smaller student body is no longer adequate in meeting present student service needs, the Committee makes the following recommendation:

The Committee on Campus Development and Facility Utilization recommends that you move forward at this time in requesting approval by the Board of Higher Education and Legislature for planning an expanded and updated Dickinson State University Student Center.

While the Committee recognizes that it is desirable to survey the student body before moving forward with the project, we, also, realize that this is not possible within the constraints of the current time frame. We believe the institution should seek approval now, rather than wait for the next opportunity in 1997.

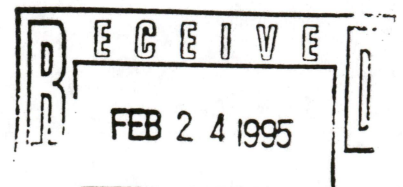
Sincerely,

A handwritten signature in cursive script, appearing to read "Bennett Reinke".

Bennett Reinke
Chair

Committee on Campus Development and Facility Utilization

Paula Martin - faculty, School of Arts and Sciences
Arlan Hofland (alumnus) - faculty, School of Education and HPER
William Goetz - dean/faculty, School of Business and Administration
Gary White - chair/faculty, School of Applied Science and
Technology
Bennett Reinke (alumnus) - professional staff
Elaine Hulstein - support staff
Alvin Binstock (alumnus) - administration, business affairs
Gary Biller - administration, student affairs
Michael Wourms - student, music major
Melissa Cooley - student, English education major
Jack Olin - civic/business leader



\$147,486 from the centennial trees program trust fund for providing grants. The grants must be used for planting trees and other expenses associated with achieving the goal of planting 100 million trees by the year 2000, including promotional, educational, and fundraising activities for the biennium beginning July 1, 1995, and ending June 30, 1997.

SECTION 10. BOARD OF HIGHER EDUCATION - BOND ISSUANCE - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may issue and sell self-liquidating, tax-exempt bonds in an amount not exceeding \$2,000,000, for the purpose of constructing an addition to and remodeling of the student union at Dickinson state university for the biennium beginning July 1, 1995, and ending June 30, 1997. Bonds issued under the provisions of this Act may not become a general obligation of the state of North Dakota.

SECTION 11. USE OF PROCEEDS - APPROPRIATION. The proceeds resulting from the sale of bonds authorized under section 10, or so much of the sum as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the purpose of constructing an addition to and remodeling of the student union at Dickinson state university and providing equipment for the facility for the biennium beginning July 1, 1995, and ending June 30, 1997. Any unexpended balance from the sale of bonds must be placed in sinking funds for the retirement of the authorized bonds.

SECTION 12. LEGISLATIVE INTENT - HASTINGS HALL PURCHASE. It is the intent of the legislative assembly that North Dakota state university enter into an agreement to purchase the Hastings hall facility from the state seed department for \$350,000 for the biennium beginning July 1, 1995, and ending June 30, 1997. The source of funds used to purchase the facility is to be determined by North Dakota state university.

SECTION 13. VALLEY CITY STATE UNIVERSITY - APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to Valley City state university, for the purpose of defraying its expenses resulting from lower than estimated 1993-95 revenue collections, for the period beginning with the effective date of this Act and ending June 30, 1997.

SECTION 14. AMENDMENT. Section 15-10-12 of the North Dakota Century Code is amended and reenacted as follows:

15-10-12. Board may accept gifts and bequests - State treasurer to have custody of school funds. The state board of higher education may, subject to the limitations of section 15-10-12.1, receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests must be used for the specific purpose for which they are donated or given. A special revenue fund, for each institution of higher education under the control of the board or subject to its administration, must be maintained within the state treasury and all institutional income and institutional collections of public funds of each institution, except institutional funds received as donations, gifts, grants, and bequests, from tuition collections must be placed in the special fund for the use of the institution for which the money was raised. All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated

From the Senate office:

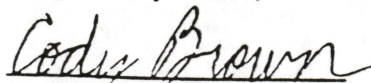
First of all, I would like to commend everyone for making this year at Dickinson State University a fantastic and exciting one! The addition of a dance team and cheerleaders, who led the cheers for our conference championships in football and volleyball, increased school spirit and crowd enthusiasm. The expansion of our intramural programs let everyone get involved and created an exciting buzz on campus. The Student Senate has worked closely with CAB and the current administration to increase the opportunities for students to get involved and to be entertained during their time here.

We have made strides this year and it is now time to decide how much further we want to go. We have the chance to obtain funding for renovating our Student Center, to make it a fun and worthwhile facility to use. I'm sure I don't have to tell you about how the Student Center is outdated and unable to meet the needs of the current student body. This is an excellent opportunity for the students at Dickinson State University. If we decide not to support this now, the chances of getting another shot of improving and increasing student services are slim.

The members of Student Senate decided to support the use of a student fee to pay for half of the Student Center renovation because we realize that to continue on our quest to make our school more accommodating, we need to update our facilities now. The increase in student fees would be \$16.00/per semester, per full-time student. The other half of the renovation will be paid for out of university reserves. There is also a need for an additional \$16.00/per semester per full-time student to maintain our current programs and activities. That adds up to \$32.00/per semester, per student in student fee increases, which still keeps us one of the least expensive four-year schools in the state.

We have now reached a turning point in making Dickinson State University a "home away from home" for the students. We can decide not to approve the student fee increase and take the risk of losing critical activities for the students and the university. On the other hand, we can continue to move forward and decide to pay to renovate the Student Center and provide facilities which will allow us to enhance the quality of student life at Dickinson State. So vote "yes" on #1 and #2, for a better and enhanced life at Dickinson State.

Respectfully Yours,



Cody Brown, president



Willy Maxwell, vice-president

*DICKINSON STATE UNIVERSITY
STUDENT SENATE*

**RESOLUTION REGARDING
A FEE INCREASE FOR DEBT SERVICE**

- WHEREAS:** Existing meeting rooms are inadequate in terms of size and number. There needs to be more then two meeting rooms and they need to be more adaptable for the universities needs; and
- WHEREAS:** The university store is not adequately accessible to the handicapped, lacks in retail and storage space, and, due to physical layout, is extremely congested; and
- WHEREAS:** Student government and student organizations have insufficient space in which to conduct business and to grow in membership; and
- WHEREAS:** There is a need for a fitness/workout area for the students to use; and
- WHEREAS:** The student Center is, for the most part, a sterile looking institutional building in need of updating and modernizing to fit the tastes and preferences of the students.

THEREFORE: Be it resolved, the 1995-96 Dickinson State University Student Senate supports the implementation of a student fee increase of \$16.00/semester to pay debt service for the renovation of the Student center.

Cody Brown 13/7/96 (date)
Cody Brown, Pres.

Dr. Biller 13/7/96 (date)
Dr. Biller, Advisor

SUMMARY OF *MAJOR DEFICIENCIES* OF THE CURRENT STUDENT CENTER

1. Existing meeting rooms are inadequate in terms of size and number. There needs to be more than two meeting rooms and they need to be more adaptable for the university's needs.
2. Student government and student organizations have insufficient space in which to conduct business and to grow in membership.
3. The game room is lacking in space for pool tables, ping-pong tables, and video games.
4. Lounge and study space is inadequate.
5. The university is not adequately accessible to the handicapped, lacks in retail and storage space, and, due to physical layout, is extremely congested.
6. Entertainment and performance areas are inadequate. There are no places to show movies, or to host daytime performances.
7. The Student Center lacks a student-use computer facility.
8. The pool area is lacking in recreational attractions for the students. i.e., hot tub, sauna.
9. There is a need for a fitness/workout area for the students to use.
10. The Student Center is, for the most part, a sterile looking institutional building in need of updating and modernizing to fit the tastes and preferences of today's student.

1. Requested Action:

Dickinson State University requests authorization to approach the 1999 Legislative Assembly with a request including an emergency appropriation clause which would provide permissive legislation for the issuance and sale of self-liquidating, tax exempt bonds in an amount not to exceed \$1,000,000 for the purpose of renovating and expanding its Student Center. In addition the request would seek authorization to utilize various available funds from federal, private, and other sources in support of the Student Center Renovation and Expansion Project estimated to cost approximately \$3.2 million.

Background Information:

Recent interpretations of the language used within House Bill 1003 of the 1995 Legislative Assembly have raised concerns relative to the continuance into the 1997-99 biennium of the authority permitting the issuance of self-liquidating bonds in an amount not to exceed \$2,000,000 in support of the renovation and expansion of Dickinson State University's Student Center. With sensitivity to the specific language within House Bill 1003, Dickinson State University will delay moving forward with the project and will request reauthorization from the Board and the 1999 Legislative Assembly to proceed with bonding and the renovation and expansion of the Student Center utilizing in addition to the proceeds realized from the sale of bonds, any available funds from private and other sources thus including as a source of potential funding auxiliary reserves, oil royalties, etc.

Dickinson State University's project will consist of remodeling 30,530 square feet within the existing structure and increasing the size of the facility with a 10,300 square foot addition at a projected cost of \$2,500,000 inclusive of architect fees. New furnishings estimated to cost \$350,000 are envisioned to compliment the project. Prior to the project commencing, the abatement of asbestos and other contaminated materials will be necessary at a projected cost of \$331,000 bringing the total estimated costs associated with the project to approximately \$3.2 million. The proposed sources of funds in support of the overall project are:

Asbestos Litigation Funds	\$ 331,000
Existing Auxiliary Reserves	1,200,000
Proposed Revenue Bond Issue	1,000,000
Oil Production Royalties	500,000
Philanthropic Funds	<u>169,000</u>
	<u>\$ 3,200,000</u>

With the exception of the revenue bond funds pending the issuance and sale of revenue bonds which will be supported by university fees already in place, all other funds in support of the proposed project are currently available for expenditure. The institution is confident that bond obligations will be met and that remaining auxiliary reserves will be sufficient to maintain and enhance current operations.

1. Requested Action:

Dickinson State University requests reauthorization to proceed with the abatement of asbestos and other contaminated materials within the Student Center through processes independent from the originally proposed and approved plan which incorporated such efforts within the now delayed Renovation and Expansion of the Student Center Project (SBHE minutes, Nov. 1997)

Background Information:

Recent interpretations of the language used within House Bill 1003 of the 1995 Legislative Assembly have raised concerns relative to the continuance into the 1997-1999 biennium of the authority permitting the issuance of self-liquidating bonds in an amount not to exceed \$2,000,000 in support of the renovation and expansion of Dickinson State University's Student Center. With sensitivity to the specific language within House Bill 1003, Dickinson State University will delay moving forward with the project and will request reauthorization from the Board and the 1999 Legislative Assembly to proceed with bonding and the renovation and expansion of the Student Center utilizing in addition to the proceeds realized from the sale of bonds, any available funds from private and other sources thus including as a source of potential funding auxiliary reserves, oil royalties, etc.

Assuming existing authorization to proceed with the renovation and expansion of the Student Center during Fall Semester, 1998, the institution has relocated during the summer, 1998 all service centers from the Student Center with the exception of food service. The overall project construction schedule called for abatement of contaminated materials including relative demolition prior to the commencement of the renovation and expansion project. (see attachment: revised project schedule for the Student Center). Time is of essence, thus approval of the proposed request in conjunction with project reauthorization would allow Dickinson State University to modify its construction schedule with a focus upon project completion by Fall, 2000. The projected costs associated with this abatement project are \$331,060. Asbestos litigation funds are on deposit in support of the proposed abatement project.

**DICKINSON STATE UNIVERSITY
SUMMARY OF BONDS PAYABLE
JUNE 30, 1998**

<u>Auxiliary Bonds</u>	<u>Ref.</u>	<u>Date</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Bonds Retired 7-1-95 to 6-30-96</u>	<u>Bonds Retired 7-1-96 to 6-30-97</u>	<u>Bonds Retired 7-1-97 to 6-30-98</u>	<u>Total Bonds Retired</u>	<u>Bonds Outstanding</u>
Selke Hall	A	3-1-58	2.875	\$ 345,000	\$	\$	\$	\$ 345,000	\$
DeLong Hall	B	4-1-69	3.0	715,000				715,000	
Woods Hall	C	9-1-63	3.75 to 4.0	575,000				575,000	
Pulver Hall	D	4-1-66	4.6	495,000	40,000	40,000	45,000	450,000	45,000
Student Center Addition	ES	4-1-66	4.6	380,000				380,000	
Married Student Housing	ES	3-1-61	4.8	200,000				200,000	
Student Center Original	ES	4-1-62	4.25	300,000				300,000	
Total Auxiliary Bonds				\$ 3,010,000	\$ 40,000	\$ 40,000	\$ 45,000	\$ 2,965,000	\$ 45,000
<u>Technology Bonds</u>									
Technology Bonds	96A	3-18-96	5.2	343,250		25,315	26,602	51,917	291,333
Klinefelter Local Match	95A	3-1-95		275,000			45,833	45,833	229,167
Total Technology Bonds				618,250	0	25,315	72,435	97,750	520,500
TOTAL BONDS				\$ 3,628,250	\$ 40,000	\$ 65,315	\$ 117,435	\$ 3,062,750	\$ 565,500