A BILL for an Act to amend and reenact sections 15-10-12.1 and 48-01.2-25 of the North Dakota Century Code, relating to the approval of higher education campus improvements financed by donations, gifts, grants, and bequests and the approval of a change or expansion of a public improvement project.

Rep. Kempenich, Acting Chair: Opened the hearing on HB 1200.

Rep. Delzer: Currently in code, if there are changes in scope, programs, buildings, etc., the state board of higher education (SBHE) is prohibited from coming before the budget section the six months prior to a legislative session. This bill would add the first meeting after adjournment of the legislative session to that prohibition. It would still leave them four hearings to come before the budget section and ask for changes of that nature. Part of the reason this came before us is that after last session, there was a college that came to budget section that had knowledge of a change in scope that they wanted, but they did not bring it to the legislative assembly. To me that's not right. The budget section is a small group of legislators, and we are disenfranchising other legislators. We are making changes to the appropriation after the fact. This does not limit their ability to change things during interim, it just means they could not do it in the June budget meeting after the legislative assembly adjourns.

Rep. Monson: The first opportunity they would have would be in September?

Rep. Delzer: That's my understanding, that they would still have four meetings to come before us.

Rep. Monson: Would this cover instances like at the NDSU campus, where they started a remodeling project and a wall caved in? Usually when we let out in April, they start a project and work on it through the summer. If something happened like that, what is their option before September?

Rep. Delzer: Their option would be to wait until September. Currently if something happened the last six months they would not have that opportunity, either.
Rep. Monson: I share your concern and frustration with those particular change orders, but you've got a whole construction season that has gone by and things can go wrong or need to be changed. Is there any other outlet for them?

Rep. Delzer: The way it's worded, probably not. Maybe language could be added for special circumstances like a natural disaster that could trigger a way for that to happen.

Rep. Kempenich: We'll open it to further testimony.

05:40
Hamid Shirvani, Chancellor, ND University System: I appear on behalf of the SBHE in opposition to HB 1200. There are three major issues. One is the impact on donors. Sometimes there is remodeling, repairs or an urgent project, or a grant that requires building modifications such as to a laboratory, so there is an impact on donors and grants. Factor number two is the urgency of the project, usually for emergencies or grants. The SBHE has the limit of $385,000 so it's not that every project goes through, they are minor projects. Finally, there is the context of it, which contravenes the spirit of Article 8 of the ND Constitution. Even the current six month period prior to the legislative session, that SBHE has to come and get permission for this construction, is in conflict with the spirit of the Constitution, which grants SBHE full authority over the institutions under its control. Part of that authority includes power and responsibility to manage financial and budgetary matters of NDUS and its campuses. Now we do another three months, eventually another bill expands it another three months, eventually for every project we have to come to the budget section. I understand the concern with management issues of the system, but we are improving those. It doesn't need to lead to another bill and restrictions.

9:00
Rep. Brandenburg: It happens where session has just ended, and all of a sudden there is a request for a sizeable amount of money that should have been discussed by full Appropriations and the legislative body. I understand situations change, but there were some pretty large requests that, had we known about them in regular session, may not have passed.

Shirvani: I agree that we did not have the necessary policies and judgments in the past in the system. That will not happen, and here is why: in the executive budget, there is $1M allocated for a master planning process. Part of the problem in the system is that none of the campuses have a master plan. If you have a frame of reference, you can look at it and say, no, this is beyond a simple emergency matter and it has to wait and go through the legislative process. We would act in a proper way if we have those master plans, which you hopefully approve in the budget. Every campus would have a master plan within one year so you have a very clear picture of what's going on, in terms of physical plans. We want to make sure that we, the SBHE and chancellor's office are operating within the true manner.

Rep. Martinson: You have said on many occasions that none of the campuses have a master plan. How do you define that?
Shirvani: It is more than a map. It's a very thick document that says, what are the subject matters, what do they require in space, classroom, lab, office, how much do they have that is up to standard, substandard, etc. We don't have a full-fledged academic/physical master plan with that level of detail.

Rep. Skarphol: Who produces this master plan? If you have the type of master plan you are suggesting, why would there be any angst over this piece of legislation?

Shirvani: As proposed in the executive budget, the funds come to the central office. We are going to bid out and go to a major firm for the master plan, and they will do all eleven campuses in one clear standard format. Then we will have one document for you so you will know exactly what is going on. This provision really only applies when there is an emergency or a grant situation comes up. We would make sure that if there is a major project there is no manipulation. They would be handled by the master plan.

Rep. Kreidt: Could you give an example of how this could affect donations?

Shirvani: The matter of the wait time between the donation and the project.

Rep. Kreidt: Aren't most donations given an advance to a project, and once the money is raised then they go ahead?

Shirvani: You are correct, sometimes the money is in the kitty already, but sometimes they just go and get the money and they want to do it very quickly. The major issue I am concerned about is the grant side. A long wait for approval pushes their work back. It's not that if you pass this we cannot live with it. But if it's not there, it provides more flexibility.

Rep. Kempenich closed the hearing as there was no further testimony.
Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 15-10-12.1 and 48-01.2-25 of the North Dakota Century Code, relating to the approval of higher education campus improvements financed by donations, gifts, grants, and bequests and the approval of a change or expansion of a public improvement project.

Minutes:

Chairman Delzer: We have an amendment on this bill.


Chairman Delzer: Currently, they can't come in six months before a convening session with a scope or project change; last session we had a number of those the first budget section after session. This would exclude them from doing that, unless they had an emergency.


Chairman Delzer: Discussion? Seeing none, a voice vote was done; the motion carried.


Chairman Delzer: Discussion?

Rep. Glassheim: If the budget section doesn't have the gumption to say no if a good case is made, that's their problem. I don't know why we have to protect ourselves by putting it in law that they can't even come in. Suppose a new donor came through with a large gift? Suppose something happened they didn't think of? The point is, they come to us and we decide. That's our job. This prohibition on the request doesn't make any sense to me.

Chairman Delzer: Further discussion? Seeing none, a roll call vote was done. The motion carried 15 Yes, 3 No, 4 Absent. Rep. Brandenburg will carry the bill.
PROPOSED AMENDMENTS TO HOUSE BILL NO. 1200

Page 2, line 23, remove "except for the six months preceding the convening of a regular session and"

Page 2, line 24, remove "the three months following the close of a regular session."

Page 2, line 26, after the underscored period insert "However, the budget section of the legislative management may not approve a change, expansion, or additional expenditure for the project during the six months preceding the convening of a regular session or during the three months following the close of a regular session except for changes in project scope and related additional expenditures resulting from an unforeseen emergency event."

Renumber accordingly
2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1200

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: Amend 01002

Motion Made By: Rep. Monson
Seconded By: Rep. Brandenburg

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Total Yes: __________________________ No: __________________________

Absent: __________________________

Floor Assignment: __________________________

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

Voice vote
Motion carried
2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1200

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Total Yes     15          No 3

Absent 4

Floor Assignment Rep. Brandenburg

If the vote is on an amendment, briefly indicate intent:
REPORT OF STANDING COMMITTEE

HB 1200: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 3 NAYS, 4 ABSENT AND NOT VOTING). HB 1200 was placed on the Sixth order on the calendar.

Page 2, line 23, remove "except for the six months preceding the convening of a regular session and"

Page 2, line 24, remove "the three months following the close of a regular session."

Page 2, line 26, after the underscored period insert "However, the budget section of the legislative management may not approve a change, expansion, or additional expenditure for the project during the six months preceding the convening of a regular session or during the three months following the close of a regular session except for changes in project scope and related additional expenditures resulting from an unforeseen emergency event."

Renumber accordingly
2013 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1200
Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to the approval of higher education campus improvements financed by donations, gifts, grants, and bequests and the approval of a change or expansion of a public improvement project.

Minutes:

Chairman Dever: Opened the hearing on HB 1200.

Representative Delzer, District 8: Testified as sponsor in support of the bill and to explain the bill. It deals mostly with the duties of the budget section. One of those duties is to approve changes in scope, size, and cost of higher ed buildings. Currently in law the way it is set up, the universities cannot come in the 6 months before a legislative session and ask for a change in scope. This bill simply adds 3 months after the legislative assembly for them to be restricted to come in and ask for a change in scope. There is also language that the House Appropriations committee put in that would allow natural disasters way of the norm to be taken into consideration.

(4:00)Chairman Dever: This bill was heard in House Appropriations?

Representative Delzer: It was put in there simply because they deal with the budget section. I wondered why it did not go to appropriations in the Senate.

Chairman Dever: Can I assume in the absence of anyone else in the room that the university system does not have a position on this bill.
Representative Delzer: They were in House Appropriations committee but afterword's he said no. He brought up the issue of constitutionally you should not do anything to the university system. It didn't go well. It is a big issue but it's not a big issue. Everyone in the legislature should have a chance to speak on it.

No other testimony present.

Chairman Dever: Closed hearing on HB 1200.
Minutes:

Chairman Dever: Opened HB 1200 for committee discussion.

Vice Chairman Berry: My notes reflect that basically what this bill does is change the law so that there is one more meeting away from the do it alone - the idea that a lot of times dealing with the budget section that apparently that they end up dealing with things that the whole assembly should be dealing with. This just exempts one more meeting to be acting on and expands the timeframe.

Senator Nelson: To me it tells IRAD(?) to get their act together and bring it during the session and don't bring it within three months after we head out of here.

Chairman Dever: Sounds like a good thing to me. It doesn't appear to me that there is a need for an amendment.

Senator Nelson: Moved a Do Pass.

Vice Chairman Berry: Seconded.

A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.

Senator Nelson: Carrier.
2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1202

Senator Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Nelson Seconded By Senator Berry

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Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Nelson

If the vote is on an amendment, briefly indicate intent:
REPORT OF STANDING COMMITTEE

HB 1200, as engrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1200 was placed on the Fourteenth order on the calendar.