

TESTIMONY OF

Joe Morrisette, Director, Office of Management and Budget

Chairman Delzer and members of the House Appropriations Committee, I am here to testify in support of the executive proposal to dedicate \$18.7 million from the state's \$1 billion allocation of State Fiscal Relief Funding of the American Rescue Plan Act (ARPA) to address deferred maintenance of state-owned buildings.

During the 2019-21 biennium, you appropriated \$500,000 to the Office of Management and Budget to conduct a real estate study. Part of that study included a comprehensive building condition assessment on major state-owned buildings, excluding higher education. The assessment included over 120 buildings, occupied by 17 agencies, and comprising 3.7 million square feet. The result was the identification of approximately 1,350 potential facility improvement projects to protect and maintain these buildings. We are proposing funding be allocated for only the most critical of those projects – those identified by the consultant as being in “alarm status.” Alarm status was defined as equipment failure inevitable or excessively past its useful life. The cost to address those most critical projects, affecting 15 different agencies, is approximately \$18.7 million.

This investment is a wise use of these federal funds. Addressing these deferred maintenance projects now will preserve the significant state investment in these facilities, result in long-term energy savings, and save state general and special fund dollars, as these repairs will only cost more, the longer we wait.

The second page of my testimony provides details from the condition analysis, including the categories of projects based on condition and type of project and the agencies involved.

Mr. Chairman and committee members, I ask your support for this proposal. This concludes my testimony. I would be happy to answer any questions.

STATE FACILITY PROJECT IMPROVEMENT NEEDS

2021 Scope Summary

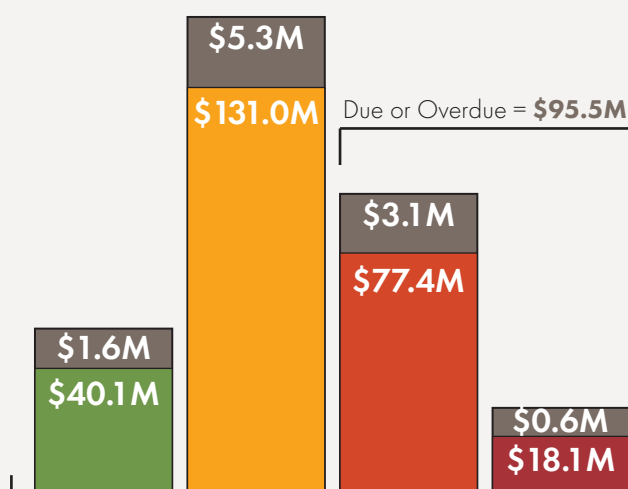
2019 legislature provided **\$500,000 appropriation** to OMB to conduct space utilization and facility condition assessment.

State-owned building square footage totals over **24 million square feet**, with an insured value of **\$4.4 billion**.

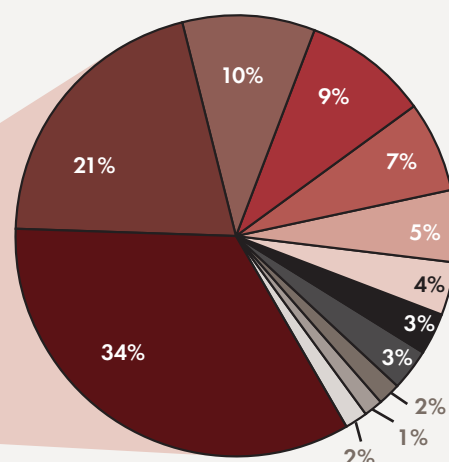
Over **120 state-owned buildings**, occupied by **17 agencies** and comprising **3.7 million square feet** were assessed.

More than **1,350 facility improvement and repair projects** were identified.

IDENTIFIED NEEDS SUMMARY



IMMEDIATE PRIORITY "ALARM" NEEDS BY AGENCY = **\$18.1M**



BIENNIAL COST INFLATER

Additional cost incurred if projects are delayed two years

ACCEPTABLE

Equipment in acceptable condition and within useful life

CAUTION

Equipment operating in a degraded condition

ALERT

Equipment in need of repairs or nearing end of useful life

ALARM

Equipment failure inevitable or excessively past useful life

Department of Corrections & Rehabilitation

Historical Society

Adjutant General

Workforce Safety & Insurance

Department of Transportation

Office of Management & Budget

Veteran's Home

Department of Human Services

Game & Fish Department

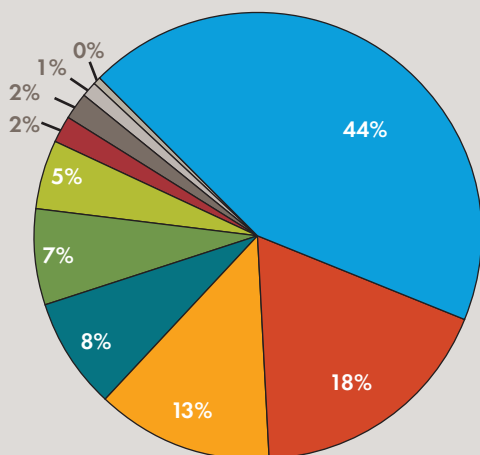
Highway Patrol

Parks & Recreation Department

Other

(Vision Services, Attorney General, Department of Water Resources and Bank of North Dakota)

NEEDS CATEGORIES



- Mechanical (Heating/Cooling)
- Ventilation (Indoor Air Quality)
- Controls (Building Environmental System)
- Exterior (Roofs, Windows, Doors)
- Lighting (convert to LED Technology)
- Electrical Distribution (Electric Service)
- Life Safety (Fire Alarm/Sprinkler)
- Interior Surfaces (Flooring/Finishes)
- Building Envelope (Exterior Walls Sealing)
- ACM (Asbestos Containing Materials)