

JOURNAL OF THE HOUSE

Fifty-eighth Legislative Assembly

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Bismarck, April 23, 2003

The House convened at 8:30 a.m., with Speaker Wentz presiding.

The prayer was offered by Rev. Lisa Ahlness, Lord of Life Lutheran Church, Bismarck.

The roll was called and all members were present except Representatives Ekstrom, Kempenich, and Wald.

A quorum was declared by the Speaker.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 23, 2003, I have signed the following: HB 1050, HB 1179, HB 1218, and HB 1439.

SIXTH ORDER OF BUSINESS

REP. BERG MOVED that the amendments on the Sixth order of business to SB 2285 be adopted, which motion prevailed.

SB 2285, as amended, was placed on the Fourteenth order of business on the calendar.

MOTION

REP. BERG MOVED that SB 2335 be laid over until the 4:30 p.m. session, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2285: A BILL for an Act to amend and reenact section 53-06.2-11 of the North Dakota Century Code, relating to the parimutuel tax levied upon wagers.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 40 YEAS, 51 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Dosch; Drovdal; Galvin; Glassheim; Grosz; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Keiser; Klein, F.; Klein, M.; Martinson; Meier; Metcalf; Monson; Nelson; Norland; Pietsch; Rennerfeldt; Sitte; Svedjan; Thoreson; Tieman; Timm; Uglem; Warnke; Weiler; Wieland

NAYS: Aarsvold; Amerman; Bellew; Boe; Boucher; Delmore; Delzer; Devlin; Eckre; Froelich; Froseth; Grande; Guleson; Haas; Hanson; Hunsakor; Kasper; Kelsch, R.; Kelsch, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Mueller; Nicholas; Niemeier; Nottestad; Onstad; Pollert; Porter; Potter; Price; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Thorpe; Warner; Weisz; Wikenheiser; Williams; Winrich; Wrangham; Zaiser; Speaker Wentz

ABSENT AND NOT VOTING: Ekstrom; Kempenich; Wald

Engrossed SB 2285, as amended, lost.

REPORT OF CONFERENCE COMMITTEE

HB 1023, as reengrossed: Your conference committee (Sens. Kringstad, Christmann, Krauter and Reps. Timm, Delzer, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1420-1421, adopt amendments as follows, and place HB 1023 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1420 and 1421 of the House Journal and pages 1201-1203 of the Senate Journal and that Reengrossed House Bill No. 1023 be amended as follows:

Page 1, line 2, after "for" insert "the", replace "projects" with "project", and replace "various state" with "the department of corrections and rehabilitation;"

Page 1, line 3, remove "departments and institutions; and"

Page 1, line 4, after "projects" insert "; to provide for a legislative council study; and to declare an emergency"

Page 2, line 16, replace "105,326" with "105,326"

Page 2, remove lines 18 and 19

Page 2, line 20, replace "3,134,517" with "105,326"

Page 2, after line 20, insert:

"SECTION 3. LEGISLATIVE COUNCIL STUDY - CAPITAL CONSTRUCTION LEASE PAYMENT LIMITATION. The legislative council shall consider studying, during the 2003-04 interim, the provisions of section 54-17.2-23 of the North Dakota Century Code regarding the statutory limitation on the amount of capital construction lease payments paid from the general fund and the effect of increasing the percentage limitation. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	\$3,029,191	\$3,029,191	(\$3,029,191)	\$0	\$0	\$0
Less estimated income	<u>3,029,191</u>	<u>3,029,191</u>	<u>(3,029,191)</u>			
General fund	\$0	\$0	\$0	\$0	\$0	\$0
State Department of Health						
Total all funds	\$1,574,865	\$1,574,865	\$0	\$1,574,865	\$1,574,865	\$0
Less estimated income	<u>1,574,865</u>	<u>1,574,865</u>		<u>1,574,865</u>	<u>1,574,865</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Corrections and Rehabilitation						
Total all funds	\$2,768,216	\$2,768,216	\$0	\$2,768,216	\$3,198,216	(\$430,000)
Less estimated income	<u>2,768,216</u>	<u>2,768,216</u>		<u>2,768,216</u>	<u>3,198,216</u>	<u>(430,000)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill Total						
Total all funds	\$7,372,272	\$7,372,272	(\$3,029,191)	\$4,343,081	\$4,773,081	(\$430,000)
Less estimated income	<u>7,372,272</u>	<u>7,372,272</u>	<u>(3,029,191)</u>	<u>4,343,081</u>	<u>4,773,081</u>	<u>(430,000)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0

House Bill No. 1023 - University System Office - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Capital assets	<u>\$3,029,191</u>	<u>\$3,029,191</u>	<u>(\$3,029,191)</u>			
Total all funds	\$3,029,191	\$3,029,191	(\$3,029,191)	\$0	\$0	\$0
Less estimated income	<u>3,029,191</u>	<u>3,029,191</u>	<u>(3,029,191)</u>			
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 215 - University System Office - Detail of Conference Committee Changes

REMOVES
FUNDING FOR

	STATE FACILITY ENERGY IMPROVEMENT PROJECTS ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Capital assets	(\$3,029,191)	(\$3,029,191)
Total all funds	(\$3,029,191)	(\$3,029,191)
Less estimated income	(3,029,191)	(3,029,191)
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment removes the state facility energy improvement projects for the University System, which consisted of North Dakota State University sundry projects of \$1,077,977 and University of North Dakota sundry projects of \$1,951,214.

House Bill No. 1023 - Other changes - Conference Committee Action

This amendment also adds a section to the bill to provide for a Legislative Council study of the statutory capital construction lease payment limitation and adds a section to the bill to declare this Act an emergency measure.

Reengrossed HB 1023 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. TIMM MOVED that the conference committee report on Reengrossed HB 1023 as printed on HJ pages 1420-1421 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1023, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1023: A BILL for an Act to provide an appropriation for capital projects of various state departments; to provide an appropriation for the state facility energy improvement capital project of the department of corrections and rehabilitation; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to provide for a legislative council study; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 83 YEAS, 8 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brusegaard; Carlisle; Carlson; Clark; Delmore; Dosch; Eckre; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Guleson; Haas; Hanson; Hawken; Headland; Herbel; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kerzman; Kingsbury; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Norland; Nottestad; Onstad; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Tieman; Timm; Uglem; Wald; Warner; Warnke; Weiler; Wieland; Wikenheiser; Williams; Winrich; Wrangham; Zaiser; Speaker Wentz

NAYS: Bellew; DeKrey; Delzer; Devlin; Drovdal; Klein, F.; Severson; Skarphol

ABSENT AND NOT VOTING: Ekstrom; Kempenich; Weisz

Reengrossed HB 1023, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2154, as reengrossed: Your conference committee (Sens. Freborg, Flakoll, Christenson and Reps. R. Kelsch, D. Johnson, Hanson) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1210-1224, adopt amendments as follows, and place SB 2154 on the Seventh order:

That the House recede from its amendments as printed on pages 1210-1224 of the Senate Journal and pages 1369-1383 of the House Journal and that Reengrossed Senate Bill No. 2154 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact four new sections to chapter 15.1-07, a new section to chapter 15.1-12, and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to school district plans, reorganizations, ending balances, and joint powers agreements; to amend and reenact subsection 5 of section 15.1-09-36, section 15.1-21-02, subsection 6 of section 15.1-27-01, sections 15.1-27-04, 15.1-27-05, 15.1-27-06, and 15.1-27-07, subsection 1 of section 15.1-27-10, section 15.1-27-11, subsection 4 of section 15.1-27-19, subsection 4 of section 15.1-27-21, sections 15.1-27-34, 15.1-27-37, 15.1-27-39, and 15.1-29-01, subsection 4 of section 15.1-29-06, sections 15.1-29-13 and 15.1-29-14, subsection 1 of section 15.1-30-01, section 15.1-30-05, subsection 2 of section 15.1-30-15, and sections 15.1-31-05, 15.1-31-06, and 15.1-32-16 of the North Dakota Century Code, relating to per student payments, weighting factors, transportation aid, teacher compensation, teacher compensation reimbursement, and high school units; to repeal sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code, relating to state transportation aid payments; to provide for the distribution of transportation grants; to provide for a legislative council study; to provide for data envelopment analysis completion; to provide for No Child Left Behind Act of 2001 cost estimates; to provide for teacher compensation efforts; to provide for contingent payments; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

School district demographics - Long-term planning process.

1. Between January first and June thirtieth of every even-numbered year, the board of each school district shall invite the public to participate in a planning process addressing the effects that demographics might have on the district in the ensuing three-year and five-year periods, and specifically addressing potential effects on:
 - a. Academic and extracurricular programs;
 - b. Instructional and administrative staffing;
 - c. Facility needs and utilization; and
 - d. District tax levies.
2. At the conclusion of the planning process, the board shall prepare a report, publish a notice in the official newspaper of the district indicating that the report is available, and make the report available upon request.

SECTION 2. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

High school district - Change to elementary district - Prohibited.

1. Beginning July 2, 2003, a high school district may not become an elementary district.
2. Subsection 1 does not apply to school districts participating in cooperative agreements approved by the superintendent of public instruction.

SECTION 3. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Joint powers agreement - Approval by superintendent of public instruction - Criteria. If school districts participating in joint powers agreements under chapter 54-40.3 wish to receive reimbursement for expenses, as provided in section 18 of this Act, the school districts must request that the superintendent of public instruction approve their joint powers agreement. In order for the superintendent of public instruction to approve a joint powers agreement, the superintendent shall determine and annually verify that:

1.
 - a. The participating school districts are contiguous; and
 - b.
 - (1) The total land mass of the participating school districts exceeds four thousand square miles [1035995 hectares];
 - (2) The total land mass of the participating school districts exceeds two thousand five hundred square miles [647497 hectares] and the participating school districts number at least six; or
 - (3) The total land mass of the participating school districts exceeds two thousand five hundred square miles [1035995 hectares] and the total number of students in average daily membership in the participating school districts exceeds two thousand five hundred.
2. The joint powers agreement provides that a school district contiguous to any school district already participating in the joint powers agreement may become a participant in the agreement at any time.
3. The joint powers agreement requires that the participating school districts agree to maintain a joint operating fund, agree to share administrative functions, or agree to implement various common requirements; provided that:
 - a. If the participating school districts agree to establish a joint operating fund, the joint powers agreement must require that during the first school year following approval, the participating school districts shall establish a joint operating fund equal to at least two percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; during the second school year following approval, the participating school districts shall establish a joint operating fund equal to at least four percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; and during the fifth school year following approval, the participating school districts shall establish a joint operating fund equal to at least six percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval;
 - b. If the participating school districts agree to share administrative functions, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall share in the administration of at least three services; during the third school year following approval, all of the participating districts shall share in the administration of at least five services; and during the fifth school year following approval, all of the participating districts shall share in the administration of at least seven services; and that the list from which the participating districts must select the services to be shared consists of:
 - (1) Federal title program management;
 - (2) Staff development;
 - (3) Special education delivery;
 - (4) Curriculum development or delivery;
 - (5) Career and technical education delivery;
 - (6) Student instructional support;
 - (7) Media and technology;
 - (8) Business management;
 - (9) Distance learning;
 - (10) Student counseling;

- (11) Food and nutrition;
 - (12) Facility safety and health;
 - (13) School accreditation and improvement; and
 - (14) Transportation; and
- c. If the participating school districts agree to implement various common requirements, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall implement at least three requirements; during the third school year following approval, all of the participating districts shall implement at least six requirements; and during the fifth school year following approval, all of the participating districts shall implement at least eight requirements; and that the list from which the participating districts must select the requirements to be implemented consists of:
- (1) A common school calendar;
 - (2) A common class schedule;
 - (3) A common intranet communication system;
 - (4) A common class registration process for grades seven through twelve;
 - (5) A common curriculum for each grade level from kindergarten through six;
 - (6) A common student data system;
 - (7) A common school improvement and staff development process;
 - (8) Common services, as set forth in a five-year plan;
 - (9) A school facilities plan; and
 - (10) Joint funding of dual credit and advance placement courses.
4. The joint powers agreement provides for the employment and compensation of a chief administrator and other staff necessary to carry out the provisions of the agreement and the requirements of this section and section 15.1-27-37.

SECTION 4. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Ending fund balance - Amount.

- 1. The board of a school district may carryover moneys to the ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the school district may be legally extended.
- 2. For taxable years beginning after December 31, 2003, and ending on December 31, 2007, the amount carried over by a school district may not exceed fifty percent of the current annual budget for all purposes other than debt retirement and amounts financed from bond sources plus twenty thousand dollars.
- 3. For taxable years beginning after December 31, 2007, the amount carried over by a school district may not exceed forty-five percent of the current annual budget for all purposes other than debt retirement and amounts financed from bond sources plus twenty thousand dollars.

SECTION 5. AMENDMENT. Subsection 5 of section 15.1-09-36 of the North Dakota Century Code is amended and reenacted as follows:

- 5. If a board charges fees not authorized by law and refuses to discontinue the charges when directed to do so by the superintendent of public

instruction, the superintendent shall withhold the ~~per student and transportation state~~ aid payments to which the district is entitled for each student charged an unauthorized fee.

SECTION 6. A new section to chapter 15.1-12 of the North Dakota Century Code is created and enacted as follows:

State board of public school education - Approval of elementary districts prohibited. The state board of public school education may not approve any reorganization plan that would result in the creation of an elementary district.

SECTION 7. AMENDMENT. Section 15.1-21-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-21-02. High schools - Required units.

1. In order to be approved by the superintendent of public instruction, each public and nonpublic high school shall make available to each student:
 - a. Four units of English- language arts;
 - b. ~~Three~~ Four units of mathematics;
 - c. Four units of science;
 - d. ~~Three~~ Four units of social studies, including one of world history and one of United States history, ~~both of which must emphasize geography~~;
 - e. ~~One~~ One-half unit of health ~~and during each school year~~;
 - f. One-half unit of physical education- during each school year;
 - g. ~~One unit of~~ Two units of fine arts, at least one of which must be music;
 7. ~~Any six units selected from business education, economics and the free enterprise system, foreign language, American sign language, and vocational courses including family and consumer sciences, agriculture, business and office technology, marketing, diversified occupations, trade and industrial education, technology education, and health careers. The vocational courses may be offered through cooperative arrangements approved by the state board for vocational and technical education.~~
 - h. Two units of the same foreign language; and
 - i. Two units of vocational education.
2. Each unit which must be made available under subsection 1 must meet or exceed the state content standards.
3. For purposes of this section, unless the context otherwise requires, "make available" means that:
 - a. Each public high school and nonpublic high school shall allow students to select units over the course of a high school career from a list that includes at least all the units provided in subsection 1;
 - b. If a student selects a unit from the list required by subsection 1, the public high school or the nonpublic high school shall provide the unit to the student; and
 - c. The unit may be provided to the student through any delivery method not contrary to state law and may include classroom or individual instruction and distance learning options, including interactive video, computer instruction, correspondence courses, and postsecondary enrollment under chapter 15.1-25.

4. The board of a school district may not impose any fees or charges upon a student for the provision of or participation in units as provided in this section, other than the fees permitted by section 15.1-09-36.
5. If in order to meet the minimum requirements of this section a school district includes academic courses offered by a postsecondary institution under chapter 15.1-25, the school district shall:
 - a. Pay all costs of the student's attendance, except those fees that are permissible under section 15.1-09-36; and
 - b. Transport the student to and from the location at which the course is offered or provide mileage reimbursement to the student if transportation is provided by the student or the student's family.
6. The requirements of this section do not apply to alternative high schools or alternative high school education programs.

SECTION 8. AMENDMENT. Subsection 6 of section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

6. If funds appropriated for distribution to districts as ~~per student and transportation~~ state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

SECTION 9. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-04. Per student payment. The per student payment to which each school district is entitled for the first year of the biennium is two thousand ~~two~~ five hundred ~~eighty-seven~~ nine dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand ~~three~~ six hundred ~~forty-seven~~ twenty-three dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

SECTION 10. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-05. (Effective through June 30, 2004) School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~transportation aid~~, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of ~~thirty-two~~ thirty-four mills times the ~~latest available net assessed and equalized~~ taxable valuation of property in the district; ~~and~~
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of seventy-five percent of its actual expenditures plus twenty thousand dollars.

(Effective after June 30, 2004) School district equalization factor.

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~transportation aid~~, and teacher compensation payments for which a school district is eligible and from that total subtract the following:
 - 4- a. The product of ~~thirty-two~~ thirty-six mills times the ~~latest available net assessed and equalized~~ taxable valuation of property in the district; ~~and~~
 - 2- b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars; ~~and~~
 - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by

which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.

2. Beginning July 1, 2006, and each year thereafter, the number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by two over the number of mills used in determining the product required by that subdivision the previous year.

(Effective after June 30, 2008) School district equalization factor.

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~transportation aid,~~ and teacher compensation payments for which a school district is eligible and from that total subtract the following:
 - 4- a. The product of ~~thirty-two~~ mills the number of mills prescribed in subsection 2 times the ~~latest available net assessed and equalized taxable~~ valuation of property in the district;
 - 2- b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of ~~fifty~~ forty-five percent of its actual expenditures, plus twenty thousand dollars; and
 - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. The number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by two over the number of mills used in determining the product required by that subdivision the previous year.

SECTION 11. AMENDMENT. Section 15.1-27-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-06. Per student payments - Weighting factors - High school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. Each district having under seventy-five students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.625 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
2. Each district having at least seventy-five but fewer than one hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.335 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.

3. Each district having at least one hundred fifty but fewer than five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.24 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
4. Each district having at least five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.14 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
5. Each district having an approved alternative high school education program is entitled to receive the amount of money that results from multiplying the factor in:
 - a. Subsection 1 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if fewer than seventy-five students in average daily membership are enrolled in the alternative education program.
 - b. Subsection 2 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least seventy-five but fewer than one hundred fifty students in average daily membership are enrolled in the alternative education program.
 - c. Subsection 3 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least one hundred fifty but fewer than five hundred fifty students in average daily membership are enrolled in the alternative education program.
 - d. Subsection 4 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least five hundred fifty students in average daily membership are enrolled in the alternative education program.
6. In order to be eligible for enumeration under this section, a student:
 - a. Must have completed the work of the eighth grade;
 - b. Must not have completed the work of the twelfth grade; and
 - c. Must be a resident of this state or a nonresident attending a school in this state under the auspices of a foreign student exchange program.

SECTION 12. AMENDMENT. Section 15.1-27-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-07. Per student payments - Weighting factors - Elementary school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1.
 - a. Each district having only a one-room rural school is entitled to receive the amount of money that results from multiplying the factor 1.28 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.28 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through eight in that school, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment level provided for in this subdivision is applicable only to the first sixteen students.
 - b. If the one-room rural school has more than sixteen students in average daily membership in grades one through eight, the district in which the school is located is entitled to receive ninety percent of the per student payment provided for in section 15.1-27-04 for each additional student. The district is not entitled to any payment for more than twenty students in average daily membership.
 - c. If a one-room rural school is located in a district having another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six, as provided in this section.
 - d. If a one-room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor for the students in grade seven or eight must be the same as that provided for in subsection 5.
2. Except as provided in subsection 1, each school district having fewer than one hundred students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor 1.09 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
3. Each school district having at least one hundred students but fewer than one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .905 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.
4. Each school district having at least one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .95 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the

five-year average cost of the education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.

5. Each school district having students in grades seven and eight is entitled to receive the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades seven and eight in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher. The payments provided for in this subsection are not available for students who attend a one-room rural school if that school is the only one in the district that offers educational services to students in grades seven and eight.
6. Each school district having a special education program approved by the director of special education is entitled to receive, for each student who is enrolled in the program and who is at least three years of age but less than the compulsory age for school attendance, the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of special education students in average daily membership in the program who are at least three years of age but less than the compulsory age for school attendance, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
7.
 - a. Each school district operating a kindergarten as provided for in section 15.1-22-02 is entitled to receive the amount of money that results from multiplying the factor .50 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .50 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of kindergarten students in average daily membership in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
 - b. In order to receive the full per student payment available under this section, a district must operate a kindergarten program that provides the equivalent of ninety full days of classroom instruction during a twelve-month period. A district is entitled to a prorated payment under this section if it operates a kindergarten program of shorter duration.
8. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
9. Each school district is entitled to receive as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.
10. A school district is not entitled to any payments provided for by this chapter unless each teacher employed by the district:
 - a. Holds a teaching license issued by the education standards and practices board; or

- b. Has been approved to teach by the education standards and practices board.

SECTION 13. AMENDMENT. Subsection 1 of section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes ~~per student and transportation state aid payments~~. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.

SECTION 14. AMENDMENT. Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-11. High school districts - Supplemental payments.

1. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:
 - a. The district's latest available net assessed and equalized taxable valuation of property; plus
 - b. All tuition payments and county and unrestricted federal revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.
2. If the quotient is less than the latest available statewide average taxable valuation per student and if the district's educational expenditure per student is below the most recent available statewide average cost of education per student, the superintendent of public instruction shall:
 - 4- a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;
 - 2- b. Multiply the result determined under ~~subsection 4~~ subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;
 - 3- c. Multiply the result determined under ~~subsection 2~~ subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and
 - 4- d. Multiply the result determined under ~~subsection 3~~ by thirty percent subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.
 - e. The result is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.

SECTION 15. AMENDMENT. Subsection 4 of section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half

percent of the total amount appropriated by the legislative assembly for ~~per student and transportation~~ state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.

SECTION 16. AMENDMENT. Subsection 4 of section 15.1-27-21 of the North Dakota Century Code is amended and reenacted as follows:

4. The superintendent of public instruction shall pay the amount due under this section within the limits of legislative appropriations for ~~per student state aid payments and transportation aid.~~

SECTION 17. AMENDMENT. Section 15.1-27-34 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-34. Transfer of funds prohibited - Youth correctional center. The superintendent of public instruction may not transfer any portion of the funds appropriated for ~~per student state aid payments and transportation aid~~ to the youth correctional center to support the provision of educational services by the youth correctional center.

SECTION 18. AMENDMENT. Section 15.1-27-37 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15.1-16, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to ~~increase the~~ at least maintain the level of compensation of provided to teachers employed by the district during the 2002-03 school year.
2. The claim must include:
 - a. The number of full-time equivalent teachers employed by the district as of September fifteenth;
 - b. The number of full-time equivalent teachers ~~who will receive an increase in compensation over the amount paid during the previous~~ whose level of compensation will be at least equal to that provided during the 2002-03 school year; and
 - c. The total amount of ~~the increase in~~ any compensation increases provided to full-time equivalent teachers over the level of compensation provided during the 2002-03 school year.
3.
 - a. For the ~~2001-02~~ 2003-04 school year, the reimbursement provided for in this section may not exceed ~~one thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2001.~~
 - b. ~~Except as provided in subdivision c, for the 2002-03 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2002.~~ 2003.
 - b. For the 2004-05 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2004.
 - c. For the ~~2002-03~~ 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, ~~2002~~ 2003, as a full-time equivalent teacher for the first school year since

becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.

- d. For the 2004-05 school year, the reimbursement under this section for each individual employed as of September 15, 2004, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area vocational and technology center to which the district belongs.
5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 19. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Approved joint powers agreement - Reimbursement by superintendent of public instruction.

1. The individual employed as a chief administrator for the purpose of carrying out the provisions of a joint powers agreement and any requirements under section 3 of this Act shall submit to the superintendent of public instruction, at the time and in the manner designated by the superintendent, receipts for expenses incurred during a school year in delivering services and programs under section 3 of this Act.
2. The superintendent of public instruction, upon verifying the receipts, shall reimburse the chief administrator of the joint powers agreement for any expenses incurred in delivering services and programs under the auspices of the joint powers agreement as provided in section 3 of this Act. The reimbursement may not exceed the lesser of:
 - a. The total expenses incurred in delivering services and programs under section 3 of this Act; or
 - b. Fifty thousand dollars.
3. The chief administrator shall deposit any moneys received under subsection 2 in the participating districts' joint operating fund.
4. The superintendent of public instruction may not provide any reimbursement to a chief administrator under this section unless the joint powers agreement under which the services and programs are delivered has been approved by the superintendent.

SECTION 20. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. Beginning with the ~~2001-02~~ 2003-04 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level of salary for the contract period equal to at least ~~eighteen~~ twenty-one thousand five hundred dollars.
2. Beginning with the ~~2002-03~~ 2004-05 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base minimum salary level for the contract period equal to at least ~~twenty~~ twenty-one thousand five hundred dollars.

SECTION 21. AMENDMENT. Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-01. Education of students in bordering states - Payment of tuition.

1. Students may attend a school in a bordering state in accordance with section 15.1-29-02 under the following circumstances:
 - a. A student who lives within forty miles [64.37 kilometers] of another state or in a county bordering on another state may, with the approval of the school board, attend a public school in a bordering state.
 - b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.
 - c. A student whose sibling attended an out-of-state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state.
2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.
 - a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.
 - b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.
 - c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.
 - d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.
3.
 - a. The superintendent of public instruction shall forward all ~~per student~~ and transportation state aid payments for a student attending an out-of-state school to the student's school district of residence.
 - b. The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.
 - e. ~~Transportation payments for a student attending school in a bordering state must be determined as provided in section 15.1-27-27.~~
4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

SECTION 22. AMENDMENT. Subsection 4 of section 15.1-29-06 of the North Dakota Century Code is amended and reenacted as follows:

4. A school district of residence may provide transportation to a student for whom tuition is paid under this section. If a school district of residence does not provide transportation to the student, it may be provided by the admitting district ~~and the admitting district is then entitled to state payments for the transportation of the student.~~

SECTION 23. AMENDMENT. Section 15.1-29-13 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-13. Tuition payments - Nonresident students.

1.
 - a. Except as provided in this subsection, the board of a school district that admits a nonresident student shall charge and collect tuition for the student. Either the student's district of residence shall pay the tuition to the admitting district in accordance with section 15.1-29-12 or the student's parent shall pay the tuition to the admitting district in accordance with section 15.1-29-07.
 - b. A board may charge tuition for nonresident students enrolled in an approved alternative education program.
 - c. Except as otherwise provided, if a school district fails to charge and collect tuition for a nonresident student, the districts shall forfeit any ~~per-student payment and transportation~~ state aid otherwise payable for the nonresident student.
2.
 - a. The board of a school district may admit a nonresident student from another district in this state offering the same grade level as that in which the student is enrolled without a charge and collection of tuition if the sending and admitting districts have entered into a written contract regarding the student's admission.
 - b. For purposes of determining whether the same grade level is offered, two or more school districts cooperating with each other for the joint provision of educational services under a plan approved by the superintendent of public instruction must be considered to be a single district.
 - c. The contract must specify whether transportation is to be provided and, if so, by which district. If a school district of residence does not provide transportation to the student, it may be provided by the admitting district and the admitting district is then entitled to state payments for the transportation of the student.
 - d. A contract is not necessary if the nonresident student is enrolled in an approved alternative education program for which no tuition is charged.
 - e. A school district may admit a nonresident student described in section 15.1-31-07 from another school district in this state without a charge and collection of tuition and without a written agreement.
3. A school district may not charge or collect from a nonresident student, the student's parent, or the student's district of residence any fees or charges not otherwise assessed to all resident students.

SECTION 24. AMENDMENT. Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition.

1. For purposes of applying this chapter, a student's school district of residence is the district in which the student resides:
 - a. At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;
 - b. At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;
 - c. At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or

- d. At the time the student is voluntarily admitted to a state-operated institution or to a state-licensed child care home or facility.
2. The student's school district of residence is obligated to pay:
 - a. All charges for tuition upon claim of the admitting district; and
 - b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.
3.
 - a. If, after a student placement is made as provided for under subsection 1, the student's custodial parent establishes residency in another school district in this state, the school district in which the custodial parent has established residency becomes the student's school district of residence for purposes of paying tuition and tutoring charges under subsection 2.
 - b. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for ~~per student and transportation~~ state aid to schools:
 - (1) If, after a student placement is made as provided for under subsection 1, the student's custodial parent establishes residency outside this state; or
 - (2) If a court orders a termination of parental rights with respect to the student's parents.
4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.
5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition from ~~per student payments and transportation~~ state aid otherwise payable to the student's school district of residence until the tuition due has been fully paid.
6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for special education in the case of a student with disabilities or from ~~funds appropriated for per student~~ state aid payments and transportation aid to schools in all other cases.
7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. If the student's custodial parent establishes residency outside this state, or if a court orders a termination of parental rights with respect to the student's parents, the state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for ~~per student and transportation~~ state aid to schools.

8.
 - a. The placing agency shall provide written notice regarding an initial placement and all subsequent placements of a student, by registered mail, to the superintendent of the student's school district of residence and to the superintendent of the admitting district:
 - (1) Within five working days after a placement is made under court order;
 - (2) Within five working days after an emergency placement is made; or
 - (3) At least ten working days prior to any other placement.
 - b. The written notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.
 - c. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.
9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition by either the student's school district of residence or the superintendent of public instruction.
10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

SECTION 25. AMENDMENT. Subsection 1 of section 15.1-30-01 of the North Dakota Century Code is amended and reenacted as follows:

1. The board of a school district may:
 - a. Provide for the transportation of a student to and from school; or
 - b. If acceptable to the student's parent, reimburse the parent for expenses incurred in providing meals and lodging to the student outside the student's home, ~~provided that the reimbursement may not exceed the amount permitted under subsection 4 of section 15.1-27-27.~~

SECTION 26. AMENDMENT. Section 15.1-30-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-05. Schoolbus transportation services - Optional fee. The board of a school district that has not been reorganized may charge a fee for the provision of schoolbus transportation service to students. ~~If the service began before July 1, 1981, the total fees charged may not exceed an amount equal to the difference between the state transportation payment and the lesser of the state average cost for transportation or the district's cost during the preceding school year. If the service started on or after July 1, 1981, the total fees charged may not exceed an amount equal to the difference between the state transportation payment and the school district's cost of transportation during the preceding school year. A district that has not previously provided transportation to students shall base its fees on estimated costs during the first year transportation is provided.~~

SECTION 27. AMENDMENT. Subsection 2 of section 15.1-30-15 of the North Dakota Century Code is amended and reenacted as follows:

2.
 - a. The board of a school district that provides transportation to its students may contract with other local, state, or federal government entities for the joint provision and integration of transportation services to the public.
 - b. A contract under this section must provide for the observation of all safety requirements otherwise imposed by law on schoolbuses, on

school vehicles, and on schoolbus drivers when students are being transported.

- e. ~~Transportation services to students provided pursuant to this subsection qualify for state transportation aid under chapter 15.1-27. However, no payments may be made from state funds for any costs incurred as a result of a deviation from established schoolbus routes necessitated by a contract pursuant to this subsection.~~

SECTION 28. AMENDMENT. Section 15.1-31-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-05. Open enrollment - Transportation. A school district of residence may provide transportation to a student participating in open enrollment. If a district of residence does not provide transportation to a student participating in open enrollment, transportation may be provided by the admitting district, ~~and the admitting district is then entitled to state payments for the transportation of that student.~~

SECTION 29. AMENDMENT. Section 15.1-31-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-06. Open enrollment - School boards - Standards.

1. The board of each school district shall set standards for the acceptance and denial of applications for admittance under open enrollment as provided in section 15.1-31-01. The standards may address the capacity of a program, class, grade level, or school building. The standards may not address previous academic achievement, participation in extracurricular activities, disabilities, English language proficiency, or previous disciplinary proceedings.
2. A board may also determine that applications for admittance under open enrollment, in accordance with this chapter, will not be considered.
3.
 - a. A school district participating in an open enrollment program may not give or offer to give a student remuneration, or directly exert influence on the student or the student's family, in order to encourage participation in the open enrollment program.
 - b. For purposes of this subsection, directly exerting influence means providing information about the school district to individuals who are not residents of that district unless the information is requested.
 - c. If the members of the board of a school district believe that another school district has violated this subsection, the board may file a complaint with the superintendent of public instruction. Upon receipt of a complaint alleging a violation of this subsection, the superintendent of public instruction shall hold a hearing and accept testimony and evidence regarding the complaint. If the superintendent finds that a school district has violated this subsection, the superintendent may withhold some or all of the ~~transportation~~ state aid payments to which the district would be otherwise entitled for a period of one year from the date of the finding. A decision by the superintendent under this subsection is appealable to the state board of public school education. A decision by the state board of public school education is final.

SECTION 30. AMENDMENT. Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

15.1-32-16. Transportation services - State reimbursement. If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party. ~~The school district is entitled to state reimbursement for the provision of transportation services to the student. If transportation is provided by a student's parent, the superintendent may reimburse the school district only for mileage costs.~~

SECTION 31. TRANSPORTATION GRANTS - DISTRIBUTION.

1. The superintendent of public instruction shall distribute from the grants - state school aid line item in Senate Bill No. 2013, as approved by the fifty-eighth legislative assembly, to each school district in the state an amount equal to the state transportation aid payments received by the school district during the 2001-03 biennium.
2. If two or more school districts reorganize into a single district on or after July 1, 2003, the superintendent of public instruction shall forward to the newly reorganized district an amount equal to the transportation payments received by each of the districts participating in the reorganization during the 2001-03 biennium.
3. If a school district that received transportation payments during the 2001-03 biennium dissolves on or after July 1, 2003, the superintendent of public instruction shall forward a percentage of the amount equal to that which the dissolved district received for transportation aid payments during the 2001-03 biennium to each school district that enrolls students who attended the dissolved school district during its final year of operation. Each school district eligible for payment under this subsection is entitled to receive that percentage of the total amount payable which is the same as the percentage that the number of district's students who attended the dissolved school district during its final year of operation bears to the total number of students who attended the dissolved school district during its final year of operation.
4. During each year of the 2003-05 biennium, the superintendent of public instruction shall distribute one-half of the payments required by this section to school districts at the same time and in the same manner as required for state aid payments under section 15.1-27-01.

SECTION 32. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying the manner in which elementary and secondary education is funded in this state and the feasibility and desirability of instituting alternative funding methods, including consideration of the amount of local contribution on a per resident basis. If the legislative council conducts this study, the legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 33. NO CHILD LEFT BEHIND - COST ESTIMATE. The superintendent of public instruction shall confer with the United States secretary of education, the education commission of the states, and other public and nonpublic entities to determine the estimated costs that are likely to be incurred by this state during the ensuing eight years in order to meet the requirements of the No Child Left Behind Act of 2001. The superintendent of public instruction shall provide the information obtained to an interim committee designated by the legislative council.

SECTION 34. DATA ENVELOPMENT ANALYSIS - COMPLETION DATE - REPORT. The superintendent of public instruction shall complete the data envelopment analysis project, as set forth in Senate Bill No. 2032, as approved by the fifty-eighth legislative assembly, on or before September 1, 2004, and shall report any findings and conclusions to a committee designated by the legislative council, as soon after that date as practicable.

SECTION 35. SUPPLEMENTAL PAYMENTS - DISTRIBUTION. The superintendent of public instruction shall distribute from the grants - state school aid line item in Senate Bill No. 2013, as approved by the fifty-eighth legislative assembly, an amount for supplemental payments under section 15.1-27-11 equal to the amount that payments to school districts have been reduced as a result of the application of subdivision c of subsection 1 of section 15.1-27-05, as it is in effect after June 30, 2004.

SECTION 36. DISTRIBUTION OF DIFFERENCE IN PAYMENTS - HOLD HARMLESS PAYMENTS.

1. If funds appropriated by the legislative assembly to the grants - teacher compensation line item in Senate Bill No. 2013, as approved by the fifty-eighth legislative assembly, remain after completion of all statutory obligations, to the extent of legislative appropriations, the superintendent of public instruction shall:

- a. Calculate the payment to which a school district is entitled during the 2003-05 biennium under this Act; and
 - b. Calculate the payment to which a school district would have been entitled during the 2003-05 biennium under this Act if the per student payments established in section 15.1-27-04 had included the total amount appropriated to the grants - teacher compensation payments line item in Senate Bill No. 2013, as approved by the fifty-eighth legislative assembly, and further provided that no requirements for teacher compensation were placed on school districts by section 15.1-27-37.
2. If the amount to which a school district is entitled during the biennium under this Act is less than the amount to which a school district would have been entitled under the parameters of subdivision b of subsection 1, the superintendent of public instruction shall forward the difference between the amounts to the school district on or before June 30, 2005. If insufficient moneys exist to fully meet the requirements of this subsection, the superintendent of public instruction shall prorate the payments according to that percentage of the amount available to which a school district is entitled.
3. If any moneys remain after the superintendent of public instruction completes the requirements of subsections 1 and 2, the superintendent of public instruction shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

SECTION 37. CONTINGENT PAYMENTS - DISTRIBUTION. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent of public instruction shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$250,000, or so much of that amount as is necessary, for the purpose of providing reimbursements to the chief administrators of joint powers agreements pursuant to section 19 of this Act.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to school districts having reorganizations effective after July 1, 2003, and before July 1, 2005. If insufficient moneys exist to fully meet the requirements of this subsection, the superintendent of public instruction shall prorate the payments according to that percentage of the amount available to which a school district is entitled.
3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

SECTION 38. TEACHER COMPENSATION - CONTINUATION OF EFFORT. The board of a school district shall consider continuing the efforts made in the 2001-03 biennium to increase teacher salaries throughout the state.

SECTION 39. APPROPRIATION - REORGANIZATION BONUSES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a reorganization bonus to any school district having a reorganization effective on July 1, 2003, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 40. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of

public instruction for the purpose of providing supplemental payments to school districts under section 15.1-27-11, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 41. REPEAL. Sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code are repealed.

SECTION 42. EFFECTIVE DATE. Section 7 of this Act becomes effective on July 1, 2005."

Renumber accordingly

Reengrossed SB 2154 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. R. KELSCH MOVED that the conference committee report on Reengrossed SB 2154 as printed on HJ pages 1369-1383 be adopted.

REQUEST

REP. GULLESON REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Reengrossed SB 2154, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed SB 2154, the roll was called and there were 56 YEAS, 34 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delzer; Dosch; Drovdal; Galvin; Grande; Grosz; Haas; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Kasper; Kelsch, R.; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Martinson; Meier; Monson; Nicholas; Norland; Nottestad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warner; Warnke; Weiler; Wieland; Wrangham

NAYS: Aarsvold; Amerman; Boucher; Delmore; Devlin; Eckre; Froelich; Froseth; Glassheim; Gulleason; Hanson; Hunsakor; Keiser; Kelsh, S.; Kerzman; Kretschmar; Kroeber; Maragos; Metcalf; Mueller; Nelson; Niemeier; Onstad; Potter; Sandvig; Schmidt; Severson; Solberg; Thorpe; Wikenheiser; Williams; Winrich; Zaiser; Speaker Wentz

ABSENT AND NOT VOTING: Boe; Ekstrom; Kempenich; Weisz

The conference committee report on Reengrossed SB 2154 was adopted.

SECOND READING OF SENATE BILL

SB 2154: A BILL for an Act to create and enact four new sections to chapter 15.1-07, a new section to chapter 15.1-12, and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to school district plans, reorganizations, ending balances, and joint powers agreements; to amend and reenact subsection 5 of section 15.1-09-36, section 15.1-21-02, subsection 6 of section 15.1-27-01, sections 15.1-27-04, 15.1-27-05, 15.1-27-06, and 15.1-27-07, subsection 1 of section 15.1-27-10, section 15.1-27-11, subsection 4 of section 15.1-27-19, subsection 4 of section 15.1-27-21, sections 15.1-27-34, 15.1-27-37, 15.1-27-39, and 15.1-29-01, subsection 4 of section 15.1-29-06, sections 15.1-29-13 and 15.1-29-14, subsection 1 of section 15.1-30-01, section 15.1-30-05, subsection 2 of section 15.1-30-15, and sections 15.1-31-05, 15.1-31-06, and 15.1-32-16 of the North Dakota Century Code, relating to per student payments, weighting factors, transportation aid, teacher compensation, teacher compensation reimbursement, and high school units; to repeal sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code, relating to state transportation aid payments; to provide for the distribution of transportation grants; to provide for a legislative council study; to provide for data envelopment analysis completion; to provide for No Child Left Behind Act of 2001 cost estimates; to provide for teacher compensation efforts; to provide for contingent payments; to provide an appropriation; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 60 YEAS, 29 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; Delzer; Dosch; Drovdal; Froseth; Galvin; Grande; Grosz; Haas; Hanson; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kingsbury; Klein, F.; Klein, M.; Klemm; Koppelman; Kreidt; Martinson; Meier; Monson; Nicholas; Norland; Nottestad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warner; Warnke; Weiler; Wieland; Wrangham; Speaker Wentz

NAYS: Aarsvold; Amerman; Boucher; DeKrey; Devlin; Eckre; Froelich; Glassheim; Gulleon; Hunskor; Kelsh, S.; Kerzman; Kretschmar; Kroeber; Maragos; Metcalf; Mueller; Nelson; Niemeier; Onstad; Potter; Sandvig; Schmidt; Solberg; Thorpe; Wikenheiser; Williams; Winrich; Zaiser

ABSENT AND NOT VOTING: Boe; Delmore; Ekstrom; Kempenich; Weisz

Reengrossed SB 2154, as amended, passed and the title was agreed to.

MOTION

REP. MONSON MOVED that the House stand in recess until 4:30 p.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Wentz presiding.

MOTION

REP. BERG MOVED that SB 2335 be laid over one legislative day, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. SVEDJAN MOVED that the House do not concur in the Senate amendments to HB 1497, and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1497: Reps. Carlson, Aarsvold, Svedjan.

REPORT OF CONFERENCE COMMITTEE

HB 1016, as engrossed: Your conference committee (Sens. Kringstad, Christmann, Krauter and Reps. Warnke, Delzer, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1493-1494, adopt amendments as follows, and place HB 1016 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1493 and 1494 of the House Journal and pages 1310-1312 of the Senate Journal and that Engrossed House Bill No. 1016 be amended as follows:

Page 1, line 2, after "rehabilitation" insert "; to create and enact a new section to chapter 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade one correctional facilities; to provide a statement of legislative intent; to provided for a legislative council study; to provide an exemption to chapters 48-01.1 and 54-44.7 of the North Dakota Century Code, relating to public improvement contract bids and architect, engineer, and land surveying services; to provide for a performance audit of the department of corrections and rehabilitation; to provide an expiration date"

Page 1, line 10, replace "20,461,983" with "20,922,058"

Page 1, line 11, replace "66,836,583" with "68,254,582"

Page 1, line 12, replace "9,651,218" with "9,629,163"

Page 1, line 13, replace "11,602,021" with "11,577,679"

Page 1, line 14, replace "108,551,805" with "110,383,482"

Page 1, line 15, replace "30,135,194" with "29,646,871"

Page 1, line 16, replace "78,416,611" with "80,736,611"

Page 1, after line 16, insert:

"SECTION 2. APPROPRIATION - 2001-03 BIENNIUM. There is appropriated from federal funds the sum of \$500,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation, in adult services of the field services division, for the purpose of defraying the expenses of the department's transition center, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 2, after line 2, insert:

"SECTION 5. LEGISLATIVE INTENT - COUNTY CONTRACT HOUSING STATE FEMALE INMATES - REPORTS TO BUDGET SECTION. It is the intent of the legislative assembly that the state contract with county facilities to house state female inmates during the 2003-05 biennium, with the continuation of the contracting subject to the results of the study in Section 6 of this Act. The department of corrections and rehabilitation and county jails contracting to house state female inmates shall report to the fall 2003 and summer 2004 meetings of the budget section on the implementation and procedures of contracting with counties to house state female inmates.

SECTION 6. LEGISLATIVE COUNCIL STUDY - CONTRACT HOUSING - FEMALE INMATES. The legislative council shall consider studying, during the 2003-04 interim, the long-term needs of all state inmates and if the department of corrections and rehabilitation should continue to contract to house state female inmates with county jails or if the state should expand the prison system. If selected, the study must include a review of the east cell block of the North Dakota state penitentiary and future needs for maximum security prisoners; the female population and related treatment, programming, and training needs; and the mental health services of the state hospital, including if the department of corrections and rehabilitation should continue to expand its facilities on the state hospital grounds and if patients at the state hospital with mental health needs should be served in other locations. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 7. TRANSFER OF LAND AND BUILDINGS - EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7. Ownership of the food service building, the dining facility and attached building 18A, the laundry building, and buildings eight and fifty on the grounds of the state hospital must be transferred to the department of corrections and rehabilitation. The department of corrections and rehabilitation is not subject to the provisions of chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services for construction and renovation relating to the nurses' building, food service building, the dining facility and attached building 18A, laundry building, and building eight.

SECTION 8. DEPARTMENT OF CORRECTIONS AND REHABILITATION - PERFORMANCE AUDIT. The state auditor shall consider conducting a performance audit of the department of corrections and rehabilitation during the period beginning July 1, 2003, and ending January 1, 2005. The results of the performance audit must be presented to the legislative audit and fiscal review committee and the appropriations committees during the department of corrections and rehabilitation's budget presentation during the fifty-ninth legislative assembly.

SECTION 9. A new section to chapter 12-44.1 of the North Dakota Century Code is created and enacted as follows:

Female inmates in grade one correctional facilities. Notwithstanding section 12-44.1-06, a grade one correctional facility that has a contract with the department of corrections and rehabilitation to confine female inmates who have been sentenced to the legal and physical custody of the department of corrections and rehabilitation may confine the female inmate for more than one year in accordance with the terms of the contract. A female inmate who has been sentenced to the legal and physical custody of the department of corrections and rehabilitation and who is confined in a grade one correctional facility under a contract with the department of corrections and rehabilitation has the same rights to sentence reduction for good and meritorious conduct and to pardon and parole as an inmate confined in a department of corrections and rehabilitation prisons division facility.

SECTION 10. EXPIRATION DATE. Section 9 of this Act is effective from July 1, 2003, through June 30, 2005, and after that date is ineffective."

Page 2, line 3, after "The" insert "sum of \$1,421,727 for capital construction projects included in the"

Page 2, remove line 4

Page 2, line 5, replace "construction projects, which amounts" with "and section 2 of this Act"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Field services	\$21,632,548	\$20,461,983	\$460,075	\$20,922,058	\$21,605,127	(\$683,069)
Prisons Division	71,185,029	66,836,583	1,417,999	68,254,582	70,338,308	(2,083,726)
Juvenile community services	9,615,306	9,651,218	(22,055)	9,629,163	9,635,918	(6,755)
Youth Correctional Center	11,476,494	11,602,021	(24,342)	11,577,679	11,583,071	(5,392)
Total all funds	\$113,909,377	\$108,551,805	\$1,831,677	\$110,383,482	\$113,162,424	(\$2,778,942)
Less estimated income	<u>30,992,766</u>	<u>30,135,194</u>	<u>(488,323)</u>	<u>29,646,871</u>	<u>30,270,459</u>	<u>(623,588)</u>
General fund	\$82,916,611	\$78,416,611	\$2,320,000	\$80,736,611	\$82,891,965	(\$2,155,354)
FTE	717.18	641.18	3.00	644.18	707.18	(63.00)

Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	INCREASES FUNDING FOR CONTRACT HOUSING FOR WOMEN INMATES ³	FUNDING SOURCE CHANGE ⁴	RESTORES 1 PAROLE AND PROBATION OFFICER POSITION ⁵	ADDS 2 NEW FTE POSITIONS FOR TRANSPORTATION OFFICERS ⁶
Field services	(\$8,430)	(\$26,922)			\$90,376	
Prisons Division	(51,875)	(59,245)	\$46,844			\$148,908
Juvenile community services	(3,521)	(18,534)				
Youth Correctional Center	(9,549)	(14,793)				
Total all funds	(\$73,375)	(\$119,494)	\$46,844	\$0	\$90,376	\$148,908
Less estimated income	<u>(5,987)</u>	<u>(24,567)</u>	<u>(1,243,727)</u>	<u>695,582</u>	<u>90,376</u>	
General fund	(\$67,388)	(\$94,927)	\$1,290,571	(\$695,582)	\$0	\$148,908
FTE	0.00	0.00	0.00	0.00	1.00	2.00
	RESTORES GENERAL FUND FUNDING ⁷	TOTAL CONFERENCE COMMITTEE CHANGES				
Field services	\$405,051	\$460,075				
Prisons Division	1,333,376	1,417,999				
Juvenile community services		(22,055)				
Youth Correctional Center		(24,342)				
Total all funds	\$1,738,418	\$1,831,677				
Less estimated income		<u>(488,323)</u>				
General fund	\$1,738,418	\$2,320,000				
FTE	0.00	3.00				

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by a total of \$119,494, which is \$94,927 from the general fund and \$24,567 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.

³ This amendment increases the total funding for contract housing of female inmates in county jails by \$46,844, which consists of \$1,290,571 from the general fund, for a total of \$6,689,164 from the general fund for female inmate contract housing, and decreases the federal funds for contract housing by \$1,243,727.

⁴ This amendment changes the funding for the transition center for the 2003-05 biennium from the general fund to federal funds in the amount of \$695,582.

⁵ This amendment restores one parole and probation officer II position and funding that was removed by the House.

⁶ This amendment adds two new FTE and funding for transportation officers for transporting women prisoners.

⁷ This amendment restores part of the general fund amount that the House had removed for the Field Services Division and the Prisons Division.

This amendment also adds seven sections to the bill:

Section 2 appropriates \$500,000 of federal funds for the 2001-03 biennium for the transition center to reduce the need for general fund support for the center. The department is expected to increase its unspent general fund appropriation authority for the 2001-03 biennium by \$500,000 as a result of this change.

Section 5 provides a statement of legislative intent for the housing of female inmates in county jails and provides for Budget Section reports.

Section 6 provides for a Legislative Council study of contract housing of female inmates.

Section 7 provides an exemption to North Dakota Century Code Chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services.

Section 8 provides for a performance audit of the Department of Corrections and Rehabilitation during the 2003-05 biennium.

Section 9 creates a new section to Chapter 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade 1 correctional facilities.

Section 10 provides an expiration date of June 30, 2005, for Section 9.

Engrossed HB 1016 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. WARNKE MOVED that the conference committee report on Engrossed HB 1016 as printed on HJ pages 1493-1494 be adopted, which motion prevailed on a verification vote.

Engrossed HB 1016, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1016: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to create and enact a new section to chapter 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade one correctional facilities; to provide a statement of legislative intent; to provide for a legislative council study; to provide an exemption to chapters 48-01.1 and 54-44.7 of the North Dakota Century Code, relating to public improvement contract bids and architect, engineer, and lands surveying services; to provide for a performance audit of the department of corrections and rehabilitation; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 70 YEAS, 22 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; Delzer; Devlin; Dosch; Drovdal; Eckre; Froelich; Froseth; Galvin; Grande; Grosz; Haas; Hanson; Hawken; Herbel; Iverson; Johnson, D.; Johnson, N.; Kasper; Kelsch, R.; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Williams; Wrangham; Speaker Wentz

NAYS: Aarsvold; Amerman; Boe; Boucher; DeKrey; Delmore; Glassheim; Gulleon; Headland; Hunskor; Keiser; Kelsh, S.; Niemeier; Onstad; Pollert; Sandvig; Schmidt; Solberg; Thorpe; Warner; Winrich; Zaiser

ABSENT AND NOT VOTING: Ekstrom; Kempenich

Engrossed HB 1016, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2004, as engrossed: Your conference committee (Sens. Christmann, Andrist, Lindaas and Reps. Skarphol, Timm, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1116-1117, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1116 and 1117 of the Senate Journal and pages 1235 and 1236 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 1, after "auditor" insert "; and to amend and reenact subsection 4 of section 54-10-01 of the North Dakota Century Code, relating to the powers and duties of the state auditor"

Page 1, line 8, replace "5,620,686" with "5,981,437"

Page 1, line 9, replace "732,580" with "717,771"

Page 1, remove line 10

Page 1, line 11, replace "6,403,266" with "6,699,208"

Page 1, line 12, replace "2,121,195" with "2,117,976"

Page 1, line 13, replace "4,282,071" with "4,581,232"

Page 1, after line 18, insert:

"SECTION 3. AMENDMENT. Subsection 4 of section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

4. Perform or provide for performance audits of state agencies as determined necessary by the state auditor or the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2004 - State Auditor - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,754,797	\$5,620,686	\$360,751	\$5,981,437	\$5,981,437	
Operating expenses	761,380	732,580	(14,809)	717,771	675,204	\$42,567
Performance audits	<u>100,000</u>	<u>50,000</u>	<u>(50,000)</u>		<u>50,000</u>	<u>(50,000)</u>
Total all funds	\$6,616,177	\$6,403,266	\$295,942	\$6,699,208	\$6,706,641	(\$7,433)
Less estimated income	<u>2,140,958</u>	<u>2,121,195</u>	<u>(3,219)</u>	<u>2,117,976</u>	<u>2,119,441</u>	<u>(1,465)</u>
General fund	\$4,475,219	\$4,282,071	\$299,161	\$4,581,232	\$4,587,200	(\$5,968)
FTE	52.00	52.00	3.00	55.00	55.00	0.00

Dept. 117 - State Auditor - Detail of Conference Committee Changes

REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	ADDS 3 FTE AND FUNDING FOR POSITIONS DELETED IN THE EXECUTIVE BUDGET ³	RESTORES FUNDING FOR SALARIES AND WAGES ⁴	REMOVES FUNDING FOR PERFORMANCE AUDITS ⁵	ADDS FUNDING FOR COPIER REPAIRS ⁶
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Salaries and wages	(\$5,366)		\$294,917	\$71,200		
Operating expenses		(\$15,809)				\$1,000
Performance audits					(\$50,000)	
Total all funds	(\$5,366)	(\$15,809)	\$294,917	\$71,200	(\$50,000)	\$1,000
Less estimated income	(1,754)	(1,465)				
General fund	(\$3,612)	(\$14,344)	\$294,917	\$71,200	(\$50,000)	\$1,000
FTE	0.00	0.00	3.00	0.00	0.00	0.00

TOTAL
CONFERENCE
COMMITTEE
CHANGES

Salaries and wages	\$360,751
Operating expenses	(14,809)
Performance audits	(50,000)
Total all funds	\$295,942
Less estimated income	(3,219)
General fund	\$299,161
FTE	3.00

1 This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

2 This amendment reduces funding for information technology by \$15,809, which is \$14,344 from the general fund and \$1,465 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.

3 This amendment restores the three FTE positions and funding for the positions that were deleted in the executive budget recommendation.

4 This amendment restores funding of \$71,200 for a position that the Senate removed.

5 This amendment removes funding for performance audits.

6 This amendment adds \$1,000 from the general fund to the operating expenses line item for copier repairs. The Senate had removed \$28,800 from the operating expenses line item, which was to be used for the purchase of a new copy machine. These adjustments were done in addition to the 5 percent information technology reduction in footnote No. 2.

This amendment also amends and reenacts subsection 4 of North Dakota Century Code Section 54-10-01 relating to the powers and duties of the State Auditor, to require Legislative Audit and Fiscal Review Committee approval before the State Auditor may hire a consultant to assist in state agency performance audits, and that the State Auditor shall notify the agency of the need to hire a consultant.

Engrossed SB 2004 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SKARPHOL MOVED that the conference committee report on Engrossed SB 2004 be adopted, which motion prevailed on a verification vote.

Engrossed SB 2004, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2004: A BILL for an Act to provide an appropriation for defraying the expenses of the state auditor; and to amend and reenact subsection 4 of section 54-10-01 of the North Dakota Century Code, relating to the powers and duties of the state auditor.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 63 YEAS, 28 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Bernstein; Boehning; Carlisle; Carlson; Clark; DeKrey; Delzer; Devlin; Dosch; Drovda; Froseth; Galvin; Grande; Grosz; Haas; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Maragos; Martinson; Meier; Monson; Nelson; Nicholas; Norland; Nottestad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Wrangham

NAYS: Aarsvold; Amerman; Boe; Boucher; Delmore; Eckre; Froelich; Glassheim; Gulleon; Hanson; Hunsakor; Kelsh, S.; Kerzman; Kroeber; Metcalf; Mueller; Niemeier; Onstad; Potter; Sandvig; Schmidt; Solberg; Thorpe; Warner; Williams; Winrich; Zaiser; Speaker Wentz

ABSENT AND NOT VOTING: Brusegaard; Ekstrom; Kempenich

Engrossed SB 2004, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2006, as engrossed: Your conference committee (Sens. Schobinger, Christmann, Robinson and Reps. Skarphol, Svedjan, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1118, adopt amendments as follows, and place SB 2006 on the Seventh order:

That the House recede from its amendments as printed on page 1118 of the Senate Journal and page 1237 of the House Journal and that Engrossed Senate Bill No. 2006 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 4, after "Code" insert "; and to provide for a legislative council study"

Page 1, line 12, replace "12,820,250" with "12,806,112"

Page 1, line 13, replace "4,465,113" with "4,438,627"

Page 1, line 16, replace "21,310,363" with "21,269,739"

Page 1, line 18, replace "21,195,319" with "21,154,695"

Page 2, after line 4, insert:

"SECTION 4. LEGISLATIVE COUNCIL STUDY - ELIMINATION OF ESTATE TAX. The legislative council shall consider studying, during the 2003-04 interim, with assistance from the tax commissioner, the effect on cities and counties of repeal of the estate tax. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - State Tax Commissioner - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$13,073,578	\$12,820,250	(\$14,138)	\$12,806,112	\$12,806,112	
Operating expenses	4,595,113	4,465,113	(26,486)	4,438,627	3,933,588	\$505,039
Capital assets	75,000	25,000		25,000	25,000	
Homestead tax credit	<u>4,000,000</u>	<u>4,000,000</u>		<u>4,000,000</u>	<u>4,000,000</u>	
Total all funds	\$21,743,691	\$21,310,363	(\$40,624)	\$21,269,739	\$20,764,700	\$505,039
Less estimated income	<u>115,044</u>	<u>115,044</u>		<u>115,044</u>	<u>115,044</u>	
General fund	\$21,628,647	\$21,195,319	(\$40,624)	\$21,154,695	\$20,649,656	\$505,039
FTE	137.00	137.00	0.00	137.00	137.00	0.00

Dept. 127 - State Tax Commissioner - Detail of Conference Committee Changes

	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ¹	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$14,138)	(\$14,138)
Operating expenses	(\$26,486)		(26,486)
Capital assets			
Homestead tax credit			
Total all funds	(\$26,486)	(\$14,138)	(\$40,624)
Less estimated income			
General fund	(\$26,486)	(\$14,138)	(\$40,624)

FTE 0.00 0.00 0.00

¹ This amendment reduces funding for information technology by \$26,486 from the general fund, which represents a reduction in information technology funding of approximately 5 percent, excluding information technology salaries and wages and previous reductions made in the area of information technology.

² Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

This amendment also adds a section providing for a Legislative Council study of the effect on cities and counties of repeal of the estate tax.

Engrossed SB 2006 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SKARPHOL MOVED that the conference committee report on Engrossed SB 2006 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2006, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2006: A BILL for an Act to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit; to provide for an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; and to provide for a legislative council study.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 89 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Dosch; Drovdal; Eckre; Froseth; Galvin; Glassheim; Grande; Grosz; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Norland; Nottestad; Onstad; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Sitte; Skarphol; Svedjan; Thoreson; Thorpe; Tieman; Timm; Uglem; Wald; Warner; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Williams; Wrangham; Zaiser; Speaker Wentz

NAYS: Froelich; Solberg; Winrich

ABSENT AND NOT VOTING: Ekstrom; Kempenich

Engrossed SB 2006, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2021, as engrossed: Your conference committee (Sens. Andrist, Schobinger, Tallackson and Reps. Martinson, Monson, Gulleon) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1144-1146, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1144-1146 of the Senate Journal and pages 1249-1251 of the House Journal and that Engrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 15, replace "5,254,210" with "5,254,566"

Page 1, line 16, replace "4,412,157" with "4,601,793"

Page 1, line 17, replace "1,932,794" with "2,517,794"

Page 1, line 18, replace "4,836,000" with "4,336,000"

Page 1, line 19, replace "710,721" with "760,618"

Page 1, line 20, replace "17,145,882" with "17,470,771"

Page 1, line 21, replace "10,652,416" with "10,767,112"

Page 1, line 22, replace "6,493,466" with "6,703,659"

Page 2, line 1, replace "346,354" with "352,854"

Page 2, line 2, replace "346,354" with "352,854"

Page 2, line 3, replace "6,839,820" with "7,056,513"

Page 2, line 4, replace "10,652,416" with "10,767,112"

Page 2, line 5, replace "17,492,236" with "17,823,625"

Page 3, line 6, replace "\$550,000" with "\$902,888"

Page 3, line 11, replace "\$80,000" with "\$50,000"

Page 3, line 16, replace "\$100,000" with "\$100,456"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2021 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Parks and Recreation Department						
Total all funds	\$18,038,433	\$17,145,882	\$324,889	\$17,470,771	\$17,429,653	\$41,118
Less estimated income	11,279,169	10,652,416	114,696	10,767,112	10,727,355	39,757
General fund	\$6,759,264	\$6,493,466	\$210,193	\$6,703,659	\$6,702,298	\$1,361
International Peace Garden						
Total all funds	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Less estimated income						
General fund	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Bill Total						
Total all funds	\$18,384,787	\$17,492,236	\$331,389	\$17,823,625	\$17,776,007	\$47,618
Less estimated income	11,279,169	10,652,416	114,696	10,767,112	10,727,355	39,757
General fund	\$7,105,618	\$6,839,820	\$216,693	\$7,056,513	\$7,048,652	\$7,861

Senate Bill No. 2021 - Parks and Recreation Department - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,295,996	\$5,254,210	\$356	\$5,254,566	\$5,254,566	
Operating expenses	4,412,157	4,412,157	189,636	4,601,793	4,560,675	\$41,118
Capital assets	3,567,794	1,932,794	585,000	2,517,794	2,517,794	
Grants	3,791,000	4,836,000	(500,000)	4,336,000	4,336,000	
Lewis and Clark Bicentennial	971,486	710,721	49,897	760,618	760,618	
Total all funds	\$18,038,433	\$17,145,882	\$324,889	\$17,470,771	\$17,429,653	\$41,118
Less estimated income	<u>11,279,169</u>	<u>10,652,416</u>	<u>114,696</u>	<u>10,767,112</u>	<u>10,727,355</u>	<u>39,757</u>
General fund	\$6,759,264	\$6,493,466	\$210,193	\$6,703,659	\$6,702,298	\$1,361
FTE	44.25	44.25	0.00	44.25	44.25	0.00

Dept. 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	INCREASES FUNDING FOR INCREASED SNOWMOBILE REGISTRATION FEES 3	CHANGES FUNDING SOURCE 4	ADDS FUNDING TO LEWIS AND CLARK BICENTENNIAL LINE 5	TRANSFERS FEMA DOLLARS BACK TO CAPITAL ASSETS LINE FROM GRANTS LINE 6
Salaries and wages	(\$4,644)		\$5,000			
Operating expenses		(\$20,364)	210,000			
Capital assets			85,000			\$500,000

Grants Lewis and Clark Bicentennial	(103)				\$50,000	(500,000)
Total all funds	(\$4,747)	(\$20,364)	\$300,000	\$0	\$50,000	\$0
Less estimated income	(310)	(4,994)	300,000	(180,000)		
General fund	(\$4,437)	(\$15,370)	\$0	\$180,000	\$50,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL
CONFERENCE
COMMITTEE
CHANGES

Salaries and wages	\$356
Operating expenses	189,636
Capital assets	585,000
Grants	(500,000)
Lewis and Clark Bicentennial	<u>49,897</u>
Total all funds	\$324,889
Less estimated income	<u>114,696</u>
General fund	\$210,193
FTE	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by a total of \$20,364, which is \$15,370 from the general fund and \$4,994 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.

³ This amendment increases funding to the Parks and Recreation Department for increased snowmobile registration fees in Senate Bill No. 2162.

⁴ This amendment changes funding sources from special funds to the general fund to offset the funding source change done by the Senate.

⁵ This amendment adds funding to the Lewis and Clark Bicentennial line item for a grant to the Three Affiliated Tribes Lewis and Clark Bicentennial Celebration Foundation for the national signature event.

⁶ This amendment transfers \$500,000 of federal funds for FEMA construction projects back to the capital projects line item from the grants line item. The Senate transferred the \$500,000 as part of the amendment that removed bonding capital projects and transferred the federal funds from those bonding projects removed from the capital assets line item to the grants line item. The \$500,000 of federal funds for the FEMA construction projects was included in the amount of the federal funds transferred from the capital assets line item to the grants line item.

This amendment also corrects the amounts in Sections 4, 5, and 6 of the bill for the snowmobile fund, the trail tax transfer fund, and the state parks gift fund.

Senate Bill No. 2021 - International Peace Garden - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
International Peace Garden	<u>\$346,354</u>	<u>\$346,354</u>	<u>\$6,500</u>	<u>\$352,854</u>	<u>\$346,354</u>	<u>\$6,500</u>
Total all funds	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Less estimated income						
General fund	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 751 - International Peace Garden - Detail of Conference Committee Changes

	ADDS FUNDING FOR BIENNIAL AUDIT ¹	TOTAL CONFERENCE COMMITTEE CHANGES
International Peace Garden	<u>\$6,500</u>	<u>\$6,500</u>
Total all funds	\$6,500	\$6,500
Less estimated income		
General fund	\$6,500	\$6,500
FTE	0.00	0.00

¹ This amendment adds \$6,500 to the International Peace Garden line item from the general fund for the biennial audit.

Engrossed SB 2021 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. MONSON MOVED that the conference committee report on Engrossed SB 2021 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2021, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2021: A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to amend and reenact section 55-08-06 of the North Dakota Century Code, relating to park permit fees; to repeal section 55-08-14 of the North Dakota Century Code, relating to capital projects and revenue bonds authorization; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Dosch; Drovdal; Eckre; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Gulleon; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Norland; Nottestad; Onstad; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Tieman; Timm; Uglem; Wald; Warner; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Williams; Winrich; Wrangham; Zaiser; Speaker Wentz

ABSENT AND NOT VOTING: Ekstrom; Kempenich

Engrossed SB 2021, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2022, as engrossed: Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reps. Wald, Rennerfeldt, Gulleon) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1140-1142, adopt amendments as follows, and place SB 2022 on the Seventh order:

That the House recede from its amendments as printed on pages 1140-1142 of the Senate Journal and pages 1251-1253 of the House Journal and that Engrossed Senate Bill No. 2022 be amended as follows:

Page 1, line 4, after "projects" insert "; to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to construction of the Devils Lake outlet", replace "section" with "sections", and after "54-27-25" insert "and 61-02.1-02.1"

Page 1, line 5, after "fund" insert "and funding statewide water development projects; to transfer funds from the water development trust fund to the general fund" and replace "repeal chapter 61-38 of" with "provide a continuing appropriation."

Page 1, remove line 6

Page 1, line 14, replace "2,077,370" with "2,076,235"

Page 1, line 15, replace "147,367,303" with "157,782,619"

Page 1, line 16, replace "149,444,673" with "159,858,854"

Page 1, line 17, replace "140,004,556" with "150,473,458"

Page 1, line 18, replace "9,440,117" with "9,385,396"

Page 3, line 24, after "facility" insert "on new or the existing water commission property"

Page 4, line 3, after "building" insert "on new or the existing water commission property"

Page 4, line 6, after "building" insert "on new or the existing water commission property"

Page 4, line 8, after "appurtenances" insert "on new or the existing water commission property"

Page 4, line 12, after "building" insert "on new or the existing water commission property"

Page 4, line 16, after "appurtenances" insert "on new or the existing water commission property"

Page 5, line 3, replace "\$49,523,771" with "\$60,000,000"

Page 6, replace line 16 with:

"SECTION 12. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Construction of the Devils Lake outlet - Authorization - Agreement. The state water commission may do all things reasonably necessary to construct an outlet from Devils Lake, including executing an agreement with the federal government wherein the state water commission agrees to hold the United States harmless and free from damages, except for damages due to the fault or negligence of the United States or its contractors.

SECTION 13. AMENDMENT. Section 61-02.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

61-02.1-02.1. Funding - Statewide water development projects - Bond issuance amount.

1. The priorities for the statewide water development program for the 2001-03 biennium include municipal, rural, and industrial projects; irrigation projects; general water management projects, including rural flood control, snagging and clearing, channel improvement, recreation, and planning studies; flood control projects; and weather modification projects. The state water commission may provide the funds necessary to construct these projects from money appropriated to the state water commission from the resources trust fund, the water development trust fund, or by issuing bonds in an amount not to exceed twenty million dollars plus the costs of issuance of the bonds, capitalized interest, and reasonably required reserves. ~~The commission may utilize up to five million five hundred thousand dollars from the water development trust fund, the resources trust fund, or from bond proceeds to provide cost share for a flood control channel and levy project designed to provide protection from overland flooding to a city with a population in excess of eighty thousand as of the 2000 federal decennial census. The amount provided may not exceed fifty percent of the city's share of the cost to construct the project. Bonds may be issued utilizing the procedures set forth in chapter 61-02. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this section.~~
2. If the state water commission determines it is appropriate to do so, it may, in lieu of issuing or in combination with the issuance of bonds pursuant to sections 61-02.1-01 and 61-02.1-02, for all or part of the state's cost share for the projects set forth in those provisions, use funds appropriated to it from the resources trust fund or the water development trust fund. ~~Regardless of the source, the amount of funds used may not exceed the limits set forth in section 61-02.1-02.~~

SECTION 14. CONTINUING APPROPRIATION - DEVILS LAKE OUTLET.

There is appropriated to the state water commission on a continuing basis from the water development trust fund or the resources trust fund in the state treasury, or from bond proceeds from bonds issued by the state water commission, as determined by the state water commission, the amount of funds required by the agreement between the state and the federal government to construct an outlet from Devils Lake to meet its cost-share obligations under the agreement and from any legally available funds to meet its indemnification obligations under the agreement.

SECTION 15. TRANSFER. Notwithstanding section 54-27-25, during the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of

management and budget shall transfer \$10,070,373 from the water development trust fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2022 - Water Commission - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administrative and support services	\$2,639,225	\$2,077,370	(\$1,135)	\$2,076,235	\$2,058,795	\$17,440
Water and atmospheric resources	<u>147,746,765</u>	<u>147,367,303</u>	<u>10,415,316</u>	<u>157,782,619</u>	<u>157,825,983</u>	<u>(43,364)</u>
Total all funds	\$150,385,990	\$149,444,673	\$10,414,181	\$159,858,854	\$159,884,778	(\$25,924)
Less estimated income	<u>150,385,990</u>	<u>140,004,556</u>	<u>10,468,902</u>	<u>150,473,458</u>	<u>150,473,458</u>	_____
General fund	\$0	\$9,440,117	(\$54,721)	\$9,385,396	\$9,411,320	(\$25,924)
FTE	85.00	82.00	0.00	82.00	82.00	0.00

Dept. 770 - Water Commission - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	INCREASES BONDING AUTHORITY ³	TOTAL CONFERENCE COMMITTEE CHANGES
Administrative and support services	(\$1,135)			(\$1,135)
Water and atmospheric resources	<u>(7,637)</u>	<u>(\$53,276)</u>	<u>\$10,476,229</u>	<u>10,415,316</u>
Total all funds	(\$8,772)	(\$53,276)	\$10,476,229	\$10,414,181
Less estimated income	<u>(7,327)</u>	_____	<u>10,476,229</u>	<u>10,468,902</u>
General fund	(\$1,445)	(\$53,276)	\$0	(\$54,721)
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$448.70 per month.

² This amendment reduces funding for information technology by \$53,276 from the general fund, which represents a reduction in information technology from the general fund of approximately 5 percent.

³ This amendment increases the bonding authority for water projects from \$49,523,771 to \$60,000,000.

The Conference Committee amendment provides that the State Water Commission may either sell all of its land and the existing shop building located at 2603 East Broadway in Bismarck and use the proceeds to purchase replacement land and build a new shop building or sell a portion of the land adjacent to the existing shop and use the proceeds to build a new shop on the remaining property.

The Conference Committee amendment removed the section which would have repealed North Dakota Century Code (NDCC) Chapter 61-38 relating to assumption of the Section 404 program of the Clean Water Act by the State Water Commission.

The House added a section providing for the State Water Commission to do all things reasonably necessary to construct an outlet from Devils Lake and provides the necessary funding to complete the project from a continuing appropriation from the water development trust fund, the resources trust fund, or from bond proceeds. The Conference Committee did not change this amendment.

The House added a section which removed from NDCC Section 61-02.1-02.1 the reference of funding to be provided to Fargo for flood control projects. The Conference Committee did not change this amendment.

The House added a section providing for a transfer of funds in the amount of State Water Commission's administrative expenses included in the executive budget recommendation of \$10,070,373 from the water development trust fund to the general fund. The Conference Committee did not change this amendment.

Engrossed SB 2022 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. WALD MOVED that the conference committee report on Engrossed SB 2022 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2022, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2022: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide a line of credit and an appropriation for repayment; to authorize the state water commission to issue and sell evidences of indebtedness for the construction of water-related projects; to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to construction of the Devils Lake outlet; to amend and reenact sections 54-27-25 and 61-02.1-02.1 of the North Dakota Century Code, relating to allocation of the tobacco settlement trust fund and funding statewide water development projects; to transfer funds from the water development trust fund to the general fund; and to provide a continuing appropriation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 67 YEAS, 26 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; Delmore; Devlin; Dosch; Drovdal; Froseth; Galvin; Glassheim; Grande; Grosz; Haas; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Maragos; Martinson; Meier; Monson; Nicholas; Norland; Nottestad; Pietsch; Pollert; Price; Rennerfeldt; Ruby; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warnke; Weiler; Wieland; Wikenheiser; Williams; Winrich; Wrangham; Speaker Wentz

NAYS: Aarsvold; Amerman; Boe; Boucher; DeKrey; Delzer; Eckre; Froelich; Gulleon; Hanson; Hunskor; Kroeber; Metcalf; Mueller; Nelson; Niemeier; Onstad; Porter; Potter; Sandvig; Schmidt; Solberg; Thorpe; Warner; Weisz; Zaiser

ABSENT AND NOT VOTING: Ekstrom

Engrossed SB 2022, as amended, passed and the title was agreed to.

MOTION

REP. DELZER MOVED that the House reconsider its action whereby Engrossed SB 2285 failed to pass, which motion prevailed on a verification vote.

SECOND READING OF SENATE BILL

SB 2285: A BILL for an Act to amend and reenact section 53-06.2-11 of the North Dakota Century Code, relating to the parimutuel tax levied upon wagers.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 64 YEAS, 29 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delzer; Devlin; Dosch; Drovdal; Froseth; Galvin; Glassheim; Grande; Grosz; Gulleon; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Maragos; Martinson; Meier; Metcalf; Monson; Nelson; Nicholas; Norland; Nottestad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Wrangham

NAYS: Aarsvold; Amerman; Bellew; Boe; Boucher; Delmore; Eckre; Froelich; Haas; Hanson; Hunskor; Kelsch, S.; Kerzman; Kretschmar; Kroeber; Mueller; Niemeier; Onstad; Potter; Ruby; Sandvig; Schmidt; Solberg; Thorpe; Warner; Williams; Winrich; Zaiser; Speaker Wentz

ABSENT AND NOT VOTING: Ekstrom

Engrossed SB 2285, as amended, passed and the title was agreed to.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1001.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2154.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1497.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1497

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for state government performance measurement.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Government performance committee - Appointment - Acceptance of funds. An eight-member government performance committee is created. The legislative council, during each biennium, shall appoint four members of the legislative assembly to the committee. The governor, during each biennium, shall appoint four executive branch representatives to the committee. The governor shall designate one of the executive branch representatives as chairman of the committee. The committee may accept gifts, grants, or assistance to accomplish its purpose.

SECTION 2. Government performance committee - Powers and duties. The government performance committee may meet and conduct its business during the legislative session and in the interim between legislative sessions. The committee shall review program effectiveness by focusing on program impacts and results, service quality, and customer satisfaction. During each biennium, the committee shall select at least five agencies for review of each agency's strategic plan and performance measures.

SECTION 3. Performance reporting. Each agency selected for review by the government performance committee annually shall prepare and present a performance report to the government performance committee. The report must include an analysis of the agency's actual performance results. During each regular session of the legislative assembly, each selected agency shall present its most recent performance report to the appropriations committees of the legislative assembly."

Renumber accordingly

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1002, HB 1018, HB 1020.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2021.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2004, SB 2006, SB 2022.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1023.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2008, SB 2013, SB 2019.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2016.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1295, HB 1421.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2001, SB 2002, SB 2003, SB 2007, SB 2011, SB 2014, SB 2358.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HCR 3039.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2005, SB 2017, SB 2020.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1005, HB 1010, HB 1013, HB 1015, HB 1035, HB 1047, HB 1158, HB 1489.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolution was delivered to the Secretary of State for filing on April 23, 2003: HCR 3039.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1497. Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1497: Reps. Carlson; Svedjan; Aarsvold

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2154.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1023.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1016.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2004, SB 2006, SB 2022.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2021.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2285.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2001, SB 2002, SB 2003, SB 2007, SB 2011, SB 2014, SB 2358.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1005, HB 1015, HB 1035, HB 1489.

REPORT OF CONFERENCE COMMITTEE

SB 2008, as engrossed: Your conference committee (Sens. Schobinger, Christmann, Mathern and Reps. Koppelman, Carlson, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1130-1131, adopt amendments as follows, and place SB 2008 on the Seventh order:

That the House recede from its amendments as printed on pages 1130 and 1131 of the Senate Journal and pages 1238-1240 of the House Journal and that Engrossed Senate Bill No. 2008 be amended as follows:

Page 1, line 2, after "funding" insert "; to provide for legislative council studies"

Page 1, line 10, replace "4,775,728" with "4,771,497"

Page 1, line 11, replace "1,212,261" with "1,197,261"

Page 1, line 16, replace "10,003,492" with "9,984,261"

Page 1, line 17, replace "6,074,179" with "6,072,767"

Page 1, line 18, replace "3,929,313" with "3,911,494"

Page 1, line 20, replace "\$250,000" with "\$225,000"

Page 1, line 22, after the comma insert "and \$25,000 from other sources,"

Page 1, line 23, after the period insert "The commission must have written commitments for the \$25,000 from other sources before spending any moneys from the state rail fund."

Page 2, after line 3, insert:

"SECTION 4. LEGISLATIVE COUNCIL STUDY - PUBLIC SERVICE COMMISSION DUTIES. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of transferring inspection and standards functions performed by various state agencies to the public service commission, including the potential cost-savings and efficiencies that may be realized by training and certifying employees to conduct multiple inspection duties. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 5. LEGISLATIVE COUNCIL STUDY - PUBLIC SERVICE COMMISSION FUNDING. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of funding the public service commission entirely from special fund revenue sources. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2008 - Public Service Commission - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$4,830,580	\$4,775,728	(\$4,231)	\$4,771,497	\$4,771,497	
Operating expenses	1,232,261	1,212,261	(15,000)	1,197,261	1,137,006	\$60,255
Capital assets	45,011	35,011		35,011	35,011	
Grants	62,000	62,000		62,000	62,000	
Abandoned mined lands contractual services	3,668,492	3,668,492		3,668,492	3,668,492	
Rail rate complaint case	<u>250,000</u>	<u>250,000</u>		<u>250,000</u>	<u>250,000</u>	
Total all funds	\$10,088,344	\$10,003,492	(\$19,231)	\$9,984,261	\$9,924,006	\$60,255
Less estimated income	<u>6,084,744</u>	<u>6,074,179</u>	<u>(1,412)</u>	<u>6,072,767</u>	<u>6,072,767</u>	
General fund	\$4,003,600	\$3,929,313	(\$17,819)	\$3,911,494	\$3,851,239	\$60,255
FTE	41.00	41.00	0.00	41.00	41.00	0.00

Dept. 408 - Public Service Commission - Detail of Conference Committee Changes

DECREASES FUNDING FOR INFORMATION TECHNOLOGY TRAINING TRAVEL 1	DECREASES FUNDING FOR COPIER-RELATED PRINTING COSTS 2	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 3	TOTAL CONFERENCE COMMITTEE CHANGES
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Salaries and wages			(\$4,231)	(\$4,231)
Operating expenses	(\$6,000)	(\$9,000)		(15,000)
Capital assets				
Grants				
Abandoned mined lands				
contractual services				
Rail rate complaint case				
Total all funds	(\$6,000)	(\$9,000)	(\$4,231)	(\$19,231)
Less estimated income			(1,412)	(1,412)
General fund	(\$6,000)	(\$9,000)	(\$2,819)	(\$17,819)
FTE	0.00	0.00	0.00	0.00

¹ This amendment decreases the funding for information technology training and related travel, the same as the House version.

² This amendment decreases the funding for copier-related printing costs, the same as the House version.

³ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

The Conference Committee amendment provides for a Legislative Council study to examine the possibility of consolidating various inspection duties within one agency, the Public Service Commission. The Conference Committee created a separate section for the study of the feasibility and desirability of making the Public Service Commission a special funded agency. The House amendment included both studies within the same section.

The Conference Committee amendment provides for \$250,000 for the initial stage of a rail rate complaint case, \$225,000 of which is from the state rail fund and \$25,000 from other interested parties and other sources. The Public Service Commission may not spend any of the \$225,000 from the state rail fund until it has received commitment for the \$25,000 of other funds. The House amendment provided for \$200,000 from the state rail fund and \$50,000 from other funds.

The Conference Committee made no further information technology reductions to the Public Service Commission. The Conference Committee maintained existing information technology reductions of \$23,000 made by the Senate and \$15,000 of reductions made by the House, which amounted to an overall greater reduction than the proposed 5 percent reduction of \$22,014.

Engrossed SB 2008 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2013, as engrossed: Your conference committee (Sens. Holmberg, Grindberg, Robinson and Reps. Monson, Martinson, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1228-1235, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1228-1235 of the Senate Journal and pages 1362-1369 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide an appropriation; to provide for an exemption;" and replace the second "and" with a semicolon

Page 1, line 4, remove "contingent payments; and", remove "a", replace "statement" with "statements", and after "intent" insert "; to create and enact a new section to chapter 54-52 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; to amend and reenact subsection 3 of section 15-39.1-09, subsection 3 of section 54-52-01, subsection 5 of section 54-52-17.4, and subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; and to declare an emergency"

Page 1, line 15, replace "9,287,593" with "9,277,686"

Page 1, line 16, replace "13,102,674" with "13,057,823"

Page 1, line 18, replace "479,379,990" with "489,379,990"

Page 1, line 22, replace "182,075,244" with "182,255,244"

Page 1, line 23, replace "855,108,567" with "865,233,809"

Page 2, line 1, replace "265,915,532" with "266,058,803"

Page 2, line 2, replace "589,193,035" with "599,175,006"

Page 2, line 5, replace "2,081,564" with "2,078,571"

Page 2, line 6, replace "1,188,360" with "1,181,647"

Page 2, line 8, replace "4,666,731" with "4,657,025"

Page 2, line 9, replace "1,630,082" with "1,629,979"

Page 2, line 10, replace "3,036,649" with "3,027,046"

Page 2, line 13, replace "4,807,382" with "4,809,808"

Page 2, line 14, replace "1,105,746" with "1,102,160"

Page 2, line 16, replace "5,945,851" with "5,944,691"

Page 2, line 18, replace "5,074,402" with "5,073,242"

Page 2, line 21, replace "2,543,182" with "2,540,292"

Page 2, line 22, replace "702,603" with "698,683"

Page 2, line 24, replace "3,264,018" with "3,257,208"

Page 2, line 25, replace "1,170,572" with "1,167,383"

Page 2, line 26, replace "2,093,446" with "2,089,825"

Page 2, line 27, after "appropriation" insert "Section 1 of" and replace "599,397,532" with "609,365,119"

Page 2, line 28, after "appropriation" insert "Section 1 of" and replace "269,587,635" with "269,727,614"

Page 2, line 29, after "appropriation" insert "Section 1 of" and replace "868,985,167" with "879,092,733"

Page 2, after line 29, insert:

"SECTION 2. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$10,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2003."

Page 3, after line 4, insert:

"SECTION 4. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 13 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used by the department of public instruction in conjunction with special funds received by the department for the purpose of providing a grant to fund the north central council of school television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools.

SECTION 5. LEGISLATIVE INTENT - ADULT EDUCATION PROGRAM. It is the intent of the legislative assembly that the additional \$20,000 of funding from the general fund provided for the department of public instruction's adult education program is to be distributed by the department to address salary concerns for those teachers who have not received the teacher compensation payments."

Page 4, remove lines 23 through 31

Page 5, remove lines 1 through 30

Page 6, after line 6, insert:

"SECTION 14. AMENDMENT. Subsection 3 of section 15-39.1-09 of the North Dakota Century Code is amended and reenacted as follows:

3. A person, except the superintendent of public instruction, who is certified to teach in this state by the education standards and practices board and who is first employed and entered upon the payroll of the superintendent of public instruction after January 6, 2001, may elect to become a participating member of the public employees retirement system. An election made by a person to participate in the public employees retirement system under this subsection is irrevocable. Nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, may elect to transfer to the public employees retirement system pursuant to section 16 of this Act.

SECTION 15. AMENDMENT. Subsection 3 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials who elect to remain members of the retirement system; provided, that judges of the supreme and district courts eligible under section 54-52-02.3 ~~and~~, appointed officials who elect to participate under section 54-52-02.5, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 16 of this Act are eligible employees and shall participate in the public employees retirement system. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

SECTION 16. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Participation by nonteaching employees of the office of the superintendent of public instruction. Notwithstanding any other provision of law, between the effective date of this Act and five p.m. on August 29, 2003, a nonteaching employee of the superintendent of public instruction, including the superintendent of public instruction, who is otherwise eligible to participate in the public employees retirement system may file an election with the staff of the retirement and investment office to transfer from the teachers' fund for retirement to the public employees retirement system. The teachers' fund for retirement shall certify the employees who are eligible to transfer. An election to transfer is irrevocable for as long as the employee remains employed with the superintendent of public instruction. The teachers' fund for retirement shall certify a transferring employee's salary, service credit, contribution history, account balance, and any other necessary information to the public employees retirement system. The amount to be transferred is the greater of the actuarial present value of the employee's accrued benefit as of July 1, 2003, plus interest at the rate of seven and one-half percent from July 1, 2003, until the date the amount is transferred to the public employees retirement system or the employee's account balance as of the date of transfer. The public employees retirement system shall credit the transferring employee with the service credit specified by the teachers' fund for retirement and shall convert the annual salary history from the teachers' fund for retirement to a monthly salary for the period. An employee becomes a member of the public employees retirement system as of the date the funds are transferred. To be eligible to transfer, an employee must be employed by the office of the superintendent of public instruction at the date of the transfer. The superintendent of public instruction shall begin making retirement contributions, and the public employees retirement system shall begin receiving those retirement contributions, on behalf of employees who have elected to transfer to the public employees retirement system to that system the first of the month following the date of transfer.

SECTION 17. AMENDMENT. Subsection 5 of section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:

5. A participating member, or a member not presently under covered employment, may request credit for qualified military service pursuant to

the Uniformed Services Employment and Reemployment Rights Act of 1994 [Pub. L. 103-353; 108 Stat. 3150; 38 U.S.C. 4301-4307]. The member shall submit a qualified application with proof of eligible military service to the board in order to receive credit for military service. For credit on and after July 1, 1966, the member must pay four percent times the member's most recent monthly salary, times the number of months of credit being purchased, plus interest at a rate determined by the board. In addition, the governmental unit, or in the case of a member not under covered employment the last employing governmental unit, shall pay to the retiree health benefits fund established under section 54-52.1-03.2 ~~one percent~~ the percentage required by section 54-52.1-03.2 times the member's present monthly salary times the member's months of credit being purchased. For credit before July 1, 1966, no contribution is required.

SECTION 18. AMENDMENT. Subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and one-tenth percent of the monthly salary or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 16 of this Act and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one percent of the monthly salary or wages of those nonteaching employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall:
 - a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.
 - b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the public employees retirement fund, not otherwise appropriated, the sum of \$3,000, or so much of the sum as may be necessary, to the public employees retirement system for the purpose of implementing sections 15 through 18 of this Act, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 20. EMERGENCY. Sections 2 and 4 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Public Employees Retirement System						
Total all funds	\$0	\$0	\$3,000	\$3,000	\$3,000	\$0
Less estimated income			<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Public Instruction						
Total all funds	\$874,145,677	\$855,108,567	\$10,125,242	\$865,233,809	\$865,099,256	\$134,553
Less estimated income	265,980,642	265,915,532	143,271	266,058,803	266,058,803	
General fund	\$608,165,035	\$589,193,035	\$9,981,971	\$599,175,006	\$599,040,453	\$134,553
State Library						
Total all funds	\$4,687,581	\$4,666,731	(\$9,706)	\$4,657,025	\$4,636,885	\$20,140
Less estimated income	1,630,863	1,630,082	(103)	1,629,979	1,629,979	
General fund	\$3,056,718	\$3,036,649	(\$9,603)	\$3,027,046	\$3,006,906	\$20,140
School for the Deaf						
Total all funds	\$5,994,124	\$5,945,851	(\$1,160)	\$5,944,691	\$5,933,934	\$10,757
Less estimated income	871,449	871,449		871,449	871,449	
General fund	\$5,122,675	\$5,074,402	(\$1,160)	\$5,073,242	\$5,062,485	\$10,757
North Dakota Vision Services - School for the Blind						
Total all funds	\$3,290,629	\$3,264,018	(\$6,810)	\$3,257,208	\$3,256,346	\$862
Less estimated income	1,198,474	1,170,572	(3,189)	1,167,383	1,170,108	(2,725)
General fund	\$2,092,155	\$2,093,446	(\$3,621)	\$2,089,825	\$2,086,238	\$3,587
Bill Total						
Total all funds	\$888,118,011	\$868,985,167	\$10,110,566	\$879,095,733	\$878,929,421	\$166,312
Less estimated income	269,681,428	269,587,635	142,979	269,730,614	269,733,339	(2,725)
General fund	\$618,436,583	\$599,397,532	\$9,967,587	\$609,365,119	\$609,196,082	\$169,037

Senate Bill No. 2013 - Public Employees Retirement System - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>	
Total all funds	\$0	\$0	\$3,000	\$3,000	\$3,000	\$0
Less estimated income			<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR ADMINISTRATION ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	<u>\$3,000</u>	<u>\$3,000</u>
Total all funds	\$3,000	\$3,000
Less estimated income	<u>3,000</u>	<u>3,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment provides the Public Employees Retirement System a special funds appropriation of \$3,000 for implementing the changes necessary to allow for nonteaching employees of the Department of Public Instruction to transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$9,572,703	\$9,287,593	(\$9,907)	\$9,277,686	\$9,277,686	
Operating expenses	13,527,674	13,102,674	(44,851)	13,057,823	12,923,270	\$134,553
Capital assets	15,000	15,000		15,000	15,000	

Hold harmless payments	1,200,000					
Reorganization bonuses and joint powers	1,000,000					
Grants - State school aid	478,056,990	479,379,990	10,000,000	489,379,990	489,379,990	
Grants - Teacher compensation payments	66,277,000	51,854,000		51,854,000	51,854,000	
Grants - Revenue supplement payments	3,200,000					
Grants - Tuition apportionment	69,495,371	69,495,371		69,495,371	69,495,371	
Grants - Special education	49,898,695	49,898,695		49,898,695	49,898,695	
Grants - Other grants	<u>181,902,244</u>	<u>182,075,244</u>	<u>180,000</u>	<u>182,255,244</u>	<u>182,255,244</u>	
Total all funds	\$874,145,677	\$855,108,567	\$10,125,242	\$865,233,809	\$865,099,256	\$134,553
Less estimated income	<u>265,980,642</u>	<u>265,915,532</u>	<u>143,271</u>	<u>266,058,803</u>	<u>266,058,803</u>	
General fund	\$608,165,035	\$589,193,035	\$9,981,971	\$599,175,006	\$599,040,453	\$134,553
FTE	93.25	93.25	0.00	93.25	93.25	0.00

Dept. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	INCREASES FUNDING FOR STATE SCHOOL AID ³	INCREASES FUNDING FOR TEACHER CENTERS ⁴	INCREASES FUNDING FOR ADULT EDUCATION ⁵	PROVIDES SPECIAL FUNDS AUTHORITY FOR OTHER GRANTS ⁶
Salaries and wages	(\$9,907)					
Operating expenses		(\$44,851)				
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid			\$10,000,000			
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants				<u>\$10,000</u>	<u>\$20,000</u>	<u>\$150,000</u>
Total all funds	(\$9,907)	(\$44,851)	\$10,000,000	\$10,000	\$20,000	\$150,000
Less estimated income	<u>(6,729)</u>					<u>150,000</u>
General fund	(\$3,178)	(\$44,851)	\$10,000,000	\$10,000	\$20,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL CONFERENCE COMMITTEE CHANGES					
Salaries and wages	(\$9,907)					
Operating expenses	(44,851)					
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid	10,000,000					
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants	<u>180,000</u>					
Total all funds	\$10,125,242					
Less estimated income	<u>143,271</u>					
General fund	\$9,981,971					
FTE	0.00					

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$44,851 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House had reduced information technology funding from the general fund by approximately 20 percent.

³ Senate Bill No. 2154 increases the state school aid per student payment for the first year of the biennium from \$2,497 as recommended by the Senate to \$2,509 and the payment for the second year of the biennium from \$2,619 as recommended by the Senate to \$2,623. The executive budget recommended per student payments of \$2,430 for the first year and \$2,528 for the second year. To properly account for the increase in state school aid per student payments, funding of \$10 million is added to the state school aid funding, increasing funding from \$479,379,990 as recommended by the Senate to \$489,379,990.

4 This amendment increases funding from the general fund for support of teacher centers from \$220,000 to \$230,000.

5 This amendment increases funding from the general fund for adult education by \$20,000, from \$900,000 to \$920,000. The funding is to be allocated as determined by the department to address salary concerns for the teachers in the adult education program who have not received teacher compensation payments.

6 This amendment provides the department with additional special funds spending authority of \$150,000. The funding is to be used by the department in conjunction with \$105,000 of general fund carryover from the 2001-03 biennium for providing a grant for the purpose of funding the North Central Council of School Television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools and general operations of the North Central Council of School Television. The funding of \$105,000 may be used as a match for grants in the amount of up to \$150,000.

This amendment also:

- Adds a section to the bill appropriating \$10 million of special funds derived from federal funds to the department for the purpose of providing grants to school districts for the period beginning with the effective date of this Act and ending June 30, 2003.
- Amends the North Dakota Century Code to provide that nonteaching employees of the Department of Public Instruction may transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

Senate Bill No. 2013 - State Library - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,102,414	\$2,081,564	(\$2,993)	\$2,078,571	\$2,078,571	
Operating expenses	1,188,360	1,188,360	(6,713)	1,181,647	1,161,507	\$20,140
Grants	<u>1,396,807</u>	<u>1,396,807</u>		<u>1,396,807</u>	<u>1,396,807</u>	
Total all funds	\$4,687,581	\$4,666,731	(\$9,706)	\$4,657,025	\$4,636,885	\$20,140
Less estimated income	<u>1,630,863</u>	<u>1,630,082</u>	(103)	<u>1,629,979</u>	<u>1,629,979</u>	
General fund	\$3,056,718	\$3,036,649	(\$9,603)	\$3,027,046	\$3,006,906	\$20,140
FTE	28.75	28.75	0.00	28.75	28.75	0.00

Dept. 250 - State Library - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,993)		(\$2,993)
Operating expenses		(\$6,713)	(6,713)
Grants			
Total all funds	(\$2,993)	(\$6,713)	(\$9,706)
Less estimated income	(103)		(103)
General fund	(\$2,890)	(\$6,713)	(\$9,603)
FTE	0.00	0.00	0.00

1 This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

2 This amendment reduces funding for information technology by \$6,713 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House had reduced information technology funding from the general fund by approximately 20 percent.

Senate Bill No. 2013 - School for the Deaf - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$4,855,655	\$4,807,382	\$2,426	\$4,809,808	\$4,809,808	
Operating expenses	1,105,746	1,105,746	(3,586)	1,102,160	1,091,403	\$10,757
Capital assets	<u>32,723</u>	<u>32,723</u>		<u>32,723</u>	<u>32,723</u>	
Total all funds	\$5,994,124	\$5,945,851	(\$1,160)	\$5,944,691	\$5,933,934	\$10,757
Less estimated income	<u>871,449</u>	<u>871,449</u>		<u>871,449</u>	<u>871,449</u>	
General fund	\$5,122,675	\$5,074,402	(\$1,160)	\$5,073,242	\$5,062,485	\$10,757
FTE	51.85	51.85	0.00	51.85	51.85	0.00

Dept. 252 - School for the Deaf - Detail of Conference Committee Changes

REDUCES REDUCES

	PROVIDES FUNDING FOR SALARY SCHEDULE 1	RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$8,205	(\$5,779)		\$2,426
Operating expenses			(\$3,586)	(3,586)
Capital assets				
Total all funds	\$8,205	(\$5,779)	(\$3,586)	(\$1,160)
Less estimated income				
General fund	\$8,205	(\$5,779)	(\$3,586)	(\$1,160)
FTE	0.00	0.00	0.00	0.00

¹ This amendment provides funding of \$8,205 from the general fund to fully fund the composite schedule at the School for the Deaf.

² This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$3,586 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House reduced information technology funding from the general fund by approximately 20 percent.

Senate Bill No. 2013 - North Dakota Vision Services - School for the Blind - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,569,793	\$2,543,182	(\$2,890)	\$2,540,292	\$2,540,292	
Operating expenses	702,603	702,603	(3,920)	698,683	697,821	\$862
Capital assets	18,233	18,233		18,233	18,233	
Total all funds	\$3,290,629	\$3,264,018	(\$6,810)	\$3,257,208	\$3,256,346	\$862
Less estimated income	1,198,474	1,170,572	(3,189)	1,167,383	1,170,108	(2,725)
General fund	\$2,092,155	\$2,093,446	(\$3,621)	\$2,089,825	\$2,086,238	\$3,587
FTE	27.00	27.00	0.00	27.00	27.00	0.00

Dept. 253 - North Dakota Vision Services - School for the Blind - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,890)		(\$2,890)
Operating expenses		(\$3,920)	(3,920)
Capital assets			
Total all funds	(\$2,890)	(\$3,920)	(\$6,810)
Less estimated income	(464)	(2,725)	(3,189)
General fund	(\$2,426)	(\$1,195)	(\$3,621)
FTE	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$3,920, of which \$1,195 is from the general fund. This represents a reduction in information technology funding of approximately 5 percent. The House had reduced information technology funding from the general fund by approximately 20 percent.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2016, as engrossed: Your conference committee (Sens. Grindberg, Andrist, Mathern and Reps. Skarphol, Carlson, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1124-1125, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 1124 and 1125 of the Senate Journal and pages 1245 and 1246 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 10, replace "3,039,623" with "3,037,559"

Page 1, line 11, replace "10,101,889" with "1,637,032"

Page 1, line 14, replace "47,053,097" with "38,586,176"

Page 1, line 15, replace "37,218,405" with "37,217,141"

Page 1, line 16, replace "9,834,692" with "1,369,035"

Page 1, after line 22, insert:

"SECTION 3. DISASTER RELIEF FUNDING. Notwithstanding section 37-17.1-23, the division of emergency management may continue its line of credit with the Bank of North Dakota relating to the state's share of federal disaster relief funding incurred during the 2001-03 biennium to July 1, 2005. The division of emergency management may repay the line of credit to the extent possible with funding received from settlements, and the division of emergency management may request a deficiency appropriation from the 2005 legislative assembly for the remaining state's share of any federal disaster relief funding from the 2001-03 biennium."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Division of Emergency Management - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$3,059,418	\$3,039,623	(\$2,064)	\$3,037,559	\$3,037,559	
Operating expenses	10,101,889	10,101,889	(8,464,857)	1,637,032	1,629,062	\$7,970
Capital assets	12,000	12,000		12,000	12,000	
Grants	<u>33,899,585</u>	<u>33,899,585</u>		<u>33,899,585</u>	<u>33,899,585</u>	
Total all funds	\$47,072,892	\$47,053,097	(\$8,466,921)	\$38,586,176	\$38,578,206	\$7,970
Less estimated income	<u>46,130,383</u>	<u>37,218,405</u>	(1,264)	<u>37,217,141</u>	<u>37,217,141</u>	
General fund	\$942,509	\$9,834,692	(\$8,465,657)	\$1,369,035	\$1,361,065	\$7,970
FTE	20.00	20.00	0.00	20.00	20.00	0.00

Dept. 512 - Division of Emergency Management - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	REMOVES FUNDING FOR REPAYMENT OF DISASTER RELIEF FUNDING ³	PROVIDES FUNDING FOR INTEREST PAYMENTS RELATING TO DISASTER RELIEF FUNDING ⁴	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,064)				(\$2,064)
Operating expenses		(\$2,657)	(\$8,900,000)	\$437,800	(8,464,857)
Capital assets					
Grants					
Total all funds	(\$2,064)	(\$2,657)	(\$8,900,000)	\$437,800	(\$8,466,921)
Less estimated income	<u>(1,264)</u>				<u>(1,264)</u>
General fund	(\$800)	(\$2,657)	(\$8,900,000)	\$437,800	(\$8,465,657)
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$2,657 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House had reduced funding for information technology by \$10,627 from the general fund, a reduction of approximately 20 percent.

³ This amendment removes funding of \$8.9 million from the general fund for the agency's repayment of 2001-03 biennium Bank of North Dakota loans obtained to pay the state's share of federal disaster relief funding. The executive budget recommended funding the repayment from the water development trust fund, and the Senate provided funding for repayment from the general fund. In addition, the amendment adds a section to the bill to provide that notwithstanding North Dakota Century Code Section 37-17.1-23, the agency may extend its 2001-03 biennium line of credit with the Bank of North Dakota, the agency may repay the loan to the extent possible with funding received from settlements, and the agency may request a deficiency appropriations from the 2005 Legislative Assembly for the state's share of remaining federal disaster relief funding from both the 2001-03 and the 2003-05 bienniums.

⁴ This amendment provides \$437,800 from the general fund to pay for interest costs incurred relating to the agency's Bank of North Dakota line of credit to pay the state's share of federal disaster relief funding.

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2019, as engrossed: Your conference committee (Sens. Grindberg, Christmann, Tallackson and Reps. Carlson, Carlisle, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1160, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on page 1160 of the Senate Journal and pages 1296 and 1297 of the House Journal and that Engrossed Senate Bill No. 2019 be amended as follows:

Page 1, line 10, replace "15,300,190" with "15,373,582"

Page 1, line 11, replace "9,466,219" with "9,491,219"

Page 1, line 14, replace "6,881,931" with "6,881,415"

Page 1, line 18, replace "1,338,069" with "1,337,553"

Page 1, line 19, replace "800,000" with "550,000"

Page 1, line 20, replace "40,218,403" with "40,065,763"

Page 2, line 9, replace "\$800,000" with "\$550,000"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2019 - Game and Fish Department - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$15,282,264	\$15,300,190	\$73,392	\$15,373,582	\$15,373,582	
Operating expenses	9,416,219	9,466,219	25,000	9,491,219	9,491,219	
Capital assets	2,259,944	2,259,944		2,259,944	2,259,944	
Grants	3,602,050	3,602,050		3,602,050	3,552,050	\$50,000
Land habitat and deer depredation	6,886,245	6,881,931	(516)	6,881,415	6,881,415	
Noxious weed control	300,000	300,000		300,000	300,000	
Grants, gifts, and donations	150,000	150,000		150,000	150,000	
Nongame wildlife conservation	120,000	120,000		120,000	120,000	
Lonetree Reservoir	1,342,951	1,338,069	(516)	1,337,553	1,337,553	
Wildlife services	<u>400,000</u>	<u>800,000</u>	<u>(250,000)</u>	<u>550,000</u>	<u>400,000</u>	<u>150,000</u>
Total all funds	\$39,759,673	\$40,218,403	(\$152,640)	\$40,065,763	\$39,865,763	\$200,000
Less estimated income	<u>39,759,673</u>	<u>40,218,403</u>	<u>(152,640)</u>	<u>40,065,763</u>	<u>39,865,763</u>	<u>200,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	139.00	141.00	1.00	142.00	142.00	0.00

Dept. 720 - Game and Fish Department - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	DECREASES WILDLIFE SERVICES LINE ²	ADDS FUNDING AND 1 NEW FTE GAME WARDEN POSITION ³	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$13,313)		\$86,705	\$73,392
Operating expenses			25,000	25,000
Capital assets				
Grants				
Land habitat and deer depredation	(516)			(516)
Noxious weed control				
Grants, gifts, and donations				
Nongame wildlife conservation				
Lonetree Reservoir	(516)			(516)
Wildlife services		<u>(\$250,000)</u>		<u>(250,000)</u>
Total all funds	(\$14,345)	(\$250,000)	\$111,705	(\$152,640)
Less estimated income	<u>(14,345)</u>	<u>(250,000)</u>	<u>111,705</u>	<u>(152,640)</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	1.00	1.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment removes \$250,000 of the \$400,000 increase that was added by the Senate to the wildlife services line item, which is provided to the Agriculture Commissioner to pay for services provided by the United States Department of Agriculture Wildlife Services Agency to alleviate wildlife depredation and damage in North Dakota, resulting in a total of \$550,000 to wildlife services from the Game and Fish Department.

³ This amendment authorizes the addition of one new FTE game warden position for the licensing and regulating of guides and outfitters.

Engrossed SB 2019 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2335, as engrossed: Your conference committee (Sens. Espegard, Krebsbach, Heitkamp and Reps. Skarphol, Carlisle, Gulleason) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1227, adopt amendments as follows, and place SB 2335 on the Seventh order:

That the House recede from its amendments as printed on page 1227 of the Senate Journal and pages 1341 and 1342 of the House Journal and that Engrossed Senate Bill No. 2335 be amended as follows:

Page 1, line 4, remove "and" and after "date" insert "; and to declare an emergency"

Page 1, line 18, after the period insert "Any gains from investments in North Dakota alternative and venture capital investments and early-stage capital funds, including the North Dakota development fund, incorporated, must first be applied to offset any losses reimbursed by the student loan trust fund under this section. Once the student loan trust fund has been made whole, the Bank of North Dakota and the trust fund shall share any additional revenue on a mutually agreed formula as determined by the industrial commission."

Page 2, after line 2, insert:

"SECTION 5. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2335 was placed on the Seventh order of business on the calendar.

MOTION

REP. MONSON MOVED that the absent members be excused, which motion prevailed.

MOTION

REP. MONSON MOVED that the House be on the fifth, seventh, twelfth, and sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:30 a.m., Thursday, April 24, 2003, which motion prevailed.

The House stood adjourned pursuant to Representative Monson's motion.

BRADLEY C. FAY, Chief Clerk

