

## JOURNAL OF THE SENATE

## Fifty-eighth Legislative Assembly

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Bismarck, April 22, 2003

The Senate convened at 8:30 a.m., with President Dalrymple presiding.

The prayer was offered by Senator J. Lee.

The roll was called and all members were present.

A quorum was declared by the President.

**COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on April 11, 2003, I have signed the following: SB 2275.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has reconsidered its action whereby it passed and also the action by which it did concur with the Senate amendments to HB 1018 and does not concur with the Senate amendment to HB 1018, and the Speaker has appointed as a conference committee to meet with a like committee from the Senate on:

**HB 1018:** Skarphol; Svedjan; Glassheim

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SCHOBINGER MOVED** that the conference committee report on Engrossed HB 1005 as printed on SJ pages 1478-1479 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1005, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1005:** A BILL for an Act to provide an appropriation for defraying the expenses of the Indian affairs commission; to create and enact two new sections to chapter 54-36 of the North Dakota Century Code, relating to a revolving fund for publications and the authority to produce publications and charge a fee; to provide for a transfer; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

Engrossed HB 1005, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. DEVER MOVED** that the conference committee report on Engrossed HB 1035 as printed on SJ page 1479 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1035, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1035:** A BILL for an Act to amend and reenact section 14-15-01, subdivision a of subsection 4 of section 14-15-03, subsection 3 of section 14-15-04, subsection 1 of section 14-15-05, sections 14-15-06 and 14-15-07, subsection 2 of section 14-15-08, sections 14-15-09, 14-15-10, 14-15-11, 14-15-12, 14-15-12.1, 14-15-13, and 14-15-14, subsection 2 of section 14-15-15, and sections 14-15-16, 14-15-17, 14-15-18, 14-15-19,

and 14-15-20 of the North Dakota Century Code, relating to the Revised Uniform Adoption Act.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

Engrossed HB 1035, as amended, passed and the title was agreed to.

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#### MOTION

**SEN. CHRISTMANN MOVED** that Sen. Grindberg replace Sen. Christmann on the Senate Conference Committee on SB 2013, which motion prevailed.

#### 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 1035.

#### 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 1005.

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

**MR. SPEAKER:** The President has appointed Sen. Grindberg to replace Sen. Christmann on the Conference Committee on SB 2013.

#### 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 failed: HB 1015.

#### 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 2001, SB 2011, SB 2014.

#### 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 2002, SB 2003.

#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 12:30 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Dalrymple presiding.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. COOK MOVED** that the conference committee report on Engrossed HB 1489 as printed on SJ pages 1454-1455 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1489, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1489:** A BILL for an Act to create and enact four new sections to chapter 15.1-18 of the North Dakota Century Code, relating to teacher qualifications; to amend and reenact sections 15.1-13-08, 15.1-18-01, and 15.1-18-02 of the North Dakota Century Code, relating to teacher qualifications; to provide for a report; to repeal section 15.1-18-03 of the North Dakota Century Code, relating to high school teacher qualifications; to provide directives; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 1 NAY, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; Polovitz; Robinson; Schobinger; Seymour; Stenehjelm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Urlacher; Wardner

**NAYS:** O'Connell

**ABSENT AND NOT VOTING:** Traynor

Engrossed HB 1489, as amended, passed and the title was agreed to.

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#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1015, as engrossed:** Your conference committee (Sens. Schobinger, Kringstad, Lindaas and Reps. Thoreson, Skarphol, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1480-1493, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1480-1493 of the House Journal and pages 1314-1326 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after "appropriation" insert "; to provide for an industrial commission review"

Page 1, line 14, replace "6,264,047" with "6,244,663"

Page 1, line 15, replace "1,947,591" with "1,904,767"

Page 1, line 19, replace "44,380,928" with "44,318,720"

Page 1, line 20, replace "37,296,489" with "37,291,836"

Page 1, line 21, replace "7,084,439" with "7,026,884"

Page 2, line 1, replace "16,546,603" with "16,527,614"

Page 2, line 2, replace "11,372,000" with "10,925,665"

Page 2, line 5, replace "30,243,603" with "29,778,279"

Page 2, line 14, replace "16,703,856" with "16,690,956"

Page 2, line 15, replace "13,014,426" with "12,991,196"

Page 2, line 18, replace "30,018,282" with "29,982,152"

Page 2, line 21, replace "3,934,267" with "3,929,907"

Page 2, line 22, replace "2,415,560" with "2,391,480"

Page 2, line 25, replace "33,618,207" with "33,589,767"

Page 2, line 26, replace "15,159,439" with "15,101,884"

Page 2, line 27, replace "131,176,581" with "130,642,034"

Page 2, line 28, replace "146,336,020" with "145,743,918"

Page 4, line 5, after "**TRANSFER**" insert "**- INDUSTRIAL COMMISSION REPORT**"

Page 4, line 11, after the period insert "The industrial commission shall report to the fifty-ninth legislative assembly regarding the mill and elevator association's net income to date and estimated net income for the remainder of the 2003-05 biennium."

Page 5, after line 31, insert:

**"SECTION 14. INDUSTRIAL COMMISSION REVIEW - OIL AND GAS  
DIVISION AND GEOLOGICAL SURVEY MERGER - BUDGET SECTION REPORT.**

The industrial commission shall review the implementation of the merger of the oil and gas division and the geological survey to be accomplished by July 1, 2005. In conducting the review, the industrial commission shall consider allowing the oil and gas director to appoint the state geologist, recommend a name change for the merged oil and gas division and geological survey, and identify efficiencies and savings that will result from the merger. Before November 1, 2004, the industrial commission shall present a report to the budget section regarding the recommendations for the oil and gas division and geological survey merger. The industrial commission shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 15. OIL AND GAS DIVISION AND GEOLOGICAL SURVEY EMPLOYEE POSITIONS.** Any full-time equivalent employee position in the oil and gas division and geological survey that becomes vacant because of an employee retirement or an employee resignation must remain vacant for the remainder of the 2003-05 biennium."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1015 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Industrial Commission						
Total all funds	\$44,449,595	\$44,380,928	(\$62,208)	\$44,318,720	\$43,957,683	\$361,037
Less estimated income	<u>37,302,824</u>	<u>37,296,489</u>	<u>(4,653)</u>	<u>37,291,836</u>	<u>37,295,870</u>	<u>(4,034)</u>
General fund	\$7,146,771	\$7,084,439	(\$57,555)	\$7,026,884	\$6,661,813	\$365,071
Bank of North Dakota						
Total all funds	\$38,494,966	\$38,318,603	(\$465,324)	\$37,853,279	\$37,942,546	(\$89,267)
Less estimated income	<u>30,419,966</u>	<u>30,243,603</u>	<u>(465,324)</u>	<u>29,778,279</u>	<u>29,867,546</u>	<u>(89,267)</u>
General fund	\$8,075,000	\$8,075,000	\$0	\$8,075,000	\$8,075,000	\$0
Housing Finance Agency						
Total all funds	\$33,660,732	\$33,618,207	(\$28,440)	\$33,589,767	\$33,613,847	(\$24,080)
Less estimated income	<u>33,660,732</u>	<u>33,618,207</u>	<u>(28,440)</u>	<u>33,589,767</u>	<u>33,613,847</u>	<u>(24,080)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Mill and Elevator						
Total all funds	\$30,018,282	\$30,018,282	(\$36,130)	\$29,982,152	\$30,005,382	(\$23,230)
Less estimated income	<u>30,018,282</u>	<u>30,018,282</u>	<u>(36,130)</u>	<u>29,982,152</u>	<u>30,005,382</u>	<u>(23,230)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill Total						
Total all funds	\$146,623,575	\$146,336,020	(\$592,102)	\$145,743,918	\$145,519,458	\$224,460
Less estimated income	<u>131,401,804</u>	<u>131,176,581</u>	<u>(534,547)</u>	<u>130,642,034</u>	<u>130,782,645</u>	<u>(140,611)</u>
General fund	\$15,221,771	\$15,159,439	(\$57,555)	\$15,101,884	\$14,736,813	\$365,071

#### House Bill No. 1015 - Industrial Commission - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$6,332,714	\$6,264,047	(\$19,384)	\$6,244,663	\$5,871,834	\$372,829
Operating expenses	1,947,591	1,947,591	(42,824)	1,904,767	1,916,559	(11,792)
Capital assets	68,300	68,300		68,300	68,300	
Grants	16,270,000	16,270,000		16,270,000	16,270,000	
Bond payments	<u>19,830,990</u>	<u>19,830,990</u>		<u>19,830,990</u>	<u>19,830,990</u>	
Total all funds	\$44,449,595	\$44,380,928	(\$62,208)	\$44,318,720	\$43,957,683	\$361,037
Less estimated income	<u>37,302,824</u>	<u>37,296,489</u>	<u>(4,653)</u>	<u>37,291,836</u>	<u>37,295,870</u>	<u>(4,034)</u>
General fund	\$7,146,771	\$7,084,439	(\$57,555)	\$7,026,884	\$6,661,813	\$365,071
FTE	58.37	58.37	0.00	58.37	53.37	5.00

#### Dept. 405 - Industrial Commission - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	ADDS FUNDING AND 1 FTE FOR PETROLEUM ENGINEER <sup>3</sup>	REMOVES PARTIAL FUNDING FOR GEOLOGIST POSITION <sup>4</sup>	REMOVES POSITION AND FUNDING <sup>5</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$6,089)		\$149,376	(\$87,671)	(\$75,000)	(\$19,384)
Operating expenses		(\$42,824)				(42,824)
Capital assets						
Grants						
Bond payments						

Total all funds	(\$6,089)	(\$42,824)	\$149,376	(\$87,671)	(\$75,000)	(\$62,208)
Less estimated income	<u>(619)</u>	<u>(4,034)</u>				<u>(4,653)</u>
General fund	(\$5,470)	(\$38,790)	\$149,376	(\$87,671)	(\$75,000)	(\$57,555)
FTE	0.00	0.00	1.00	0.00	(1.00)	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$42,824, which is \$38,790 from the general fund and \$4,034 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.

<sup>3</sup> This amendment adds funding and 1 FTE for the petroleum engineer IV position which was removed from the Oil and Gas Division in the Governor's recommendation.

<sup>4</sup> This amendment removes partial funding for a geologist position which will terminate July 1, 2004.

<sup>5</sup> This amendment removes one position and funding from the Geological Survey.

This amendment also adds a section for Industrial Commission review of an Oil and Gas Division and Geological Survey merger, a report to the Budget Section, and a report to the Fifty-ninth Legislative Assembly, and adds a section to provide that employee positions that become vacant for the Oil and Gas Division and Geological Survey remain vacant.

### House Bill No. 1015 - Bank of North Dakota - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$16,722,966	\$16,546,603	(\$18,989)	\$16,527,614	\$16,527,614	
Operating expenses	11,372,000	11,372,000	(446,335)	10,925,665	11,014,932	(\$89,267)
Capital assets	825,000	825,000		825,000	825,000	
Contingencies	1,500,000	1,500,000		1,500,000	1,500,000	
PACE fund	5,700,000	5,700,000		5,700,000	5,700,000	
Agriculture PACE fund	1,425,000	1,425,000		1,425,000	1,425,000	
Beginning farmer	<u>950,000</u>	<u>950,000</u>		<u>950,000</u>	<u>950,000</u>	
Total all funds	\$38,494,966	\$38,318,603	(\$465,324)	\$37,853,279	\$37,942,546	(\$89,267)
Less estimated income	<u>30,419,966</u>	<u>30,243,603</u>	<u>(465,324)</u>	<u>29,778,279</u>	<u>29,867,546</u>	<u>(89,267)</u>
General fund	\$8,075,000	\$8,075,000	\$0	\$8,075,000	\$8,075,000	\$0
FTE	178.50	178.50	0.00	178.50	178.50	0.00

### Dept. 471 - Bank of North Dakota - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$18,989)		(\$18,989)
Operating expenses		(\$446,335)	(446,335)
Capital assets			
Contingencies			
PACE fund			
Agriculture PACE fund			
Beginning farmer			
Total all funds	(\$18,989)	(\$446,335)	(\$465,324)
Less estimated income	<u>(18,989)</u>	<u>(446,335)</u>	<u>(465,324)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$446,335 from special funds, which represents a reduction in information technology funding from special funds of approximately 5 percent.

### House Bill No. 1015 - Housing Finance Agency - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,976,792	\$3,934,267	(\$4,360)	\$3,929,907	\$3,929,907	
Operating expenses	2,415,560	2,415,560	(24,080)	2,391,480	2,415,560	(\$24,080)
Grants	27,168,380	27,168,380		27,168,380	27,168,380	
HFA contingencies	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>	<u>100,000</u>	

Total all funds	\$33,660,732	\$33,618,207	(\$28,440)	\$33,589,767	\$33,613,847	(\$24,080)
Less estimated income	<u>33,660,732</u>	<u>33,618,207</u>	<u>(28,440)</u>	<u>33,589,767</u>	<u>33,613,847</u>	<u>(24,080)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	43.00	43.00	0.00	43.00	43.00	0.00

**Dept. 473 - Housing Finance Agency - 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	(\$4,360)		(\$4,360)
Operating expenses		(\$24,080)	(24,080)
Grants			
HFA contingencies			
Total all funds	(\$4,360)	(\$24,080)	(\$28,440)
Less estimated income	<u>(4,360)</u>	<u>(24,080)</u>	<u>(28,440)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces information technology by \$24,080 from special funds, which represents a reduction in information technology funding from special funds of approximately 5 percent.

**House Bill No. 1015 - Mill and Elevator - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$16,703,856	\$16,703,856	(\$12,900)	\$16,690,956	\$16,690,956	
Operating expenses	13,014,426	13,014,426	(23,230)	12,991,196	13,014,426	(\$23,230)
Contingencies	250,000	250,000		250,000	250,000	
Agriculture promotion	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>	<u>50,000</u>	
Total all funds	\$30,018,282	\$30,018,282	(\$36,130)	\$29,982,152	\$30,005,382	(\$23,230)
Less estimated income	<u>30,018,282</u>	<u>30,018,282</u>	<u>(36,130)</u>	<u>29,982,152</u>	<u>30,005,382</u>	<u>(23,230)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	125.00	125.00	0.00	125.00	125.00	0.00

**Dept. 475 - Mill and Elevator - 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	(\$12,900)		(\$12,900)
Operating expenses		(\$23,230)	(23,230)
Contingencies			
Agriculture promotion			
Total all funds	(\$12,900)	(\$23,230)	(\$36,130)
Less estimated income	<u>(12,900)</u>	<u>(23,230)</u>	<u>(36,130)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$23,230 from special funds, which represents a reduction in information technology funding from special funds of approximately 5 percent.

This amendment also requires the Mill and Elevator Association to report to the Fifty-ninth Legislative Assembly regarding the Mill and Elevator's net income to date and estimated net income for the remainder of the 2003-05 biennium.

Engrossed HB 1015 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Engrossed HB 1015 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1015, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide a continuing appropriation; to provide for an industrial commission review; to provide an exemption; and to authorize transfers.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espesgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Traynor

Engrossed HB 1015, as amended, passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2005, as engrossed:** Your conference committee (Sens. Bowman, Schobinger, Mathern and Reps. Carlson, Thoreson, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1117-1118, adopt amendments as follows, and place SB 2005 on the Seventh order:

That the House recede from its amendments as printed on pages 1117 and 1118 of the Senate Journal and pages 1236 and 1237 of the House Journal and that Engrossed Senate Bill No. 2005 be amended as follows:

Page 1, line 8, replace "594,449" with "593,830"

Page 1, line 9, replace "123,656" with "122,554"

Page 1, line 11, replace "2,628,105" with "2,626,384"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2005 - State Treasurer - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$600,929	\$594,449	(\$619)	\$593,830	\$593,830	
Operating expenses	101,156	123,656	(1,102)	122,554	116,247	\$6,307
In lieu of tax payments	1,910,000	1,910,000		1,910,000	1,910,000	
Total all funds	\$2,612,085	\$2,628,105	(\$1,721)	\$2,626,384	\$2,620,077	\$6,307
Less estimated income						
General fund	\$2,612,085	\$2,628,105	(\$1,721)	\$2,626,384	\$2,620,077	\$6,307
FTE	6.00	6.00	0.00	6.00	6.00	0.00

**Dept. 120 - State Treasurer - Detail of Conference Committee Changes**

RESTORES FUNDING FOR PROFESSIONAL	REDUCES FUNDING FOR INFORMATION TECHNOLOGY	REDUCES RECOMMENDED FUNDING FOR HEALTH	TOTAL CONFERENCE COMMITTEE
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	DEVELOPMENT <sup>1</sup>	COSTS <sup>2</sup>	INSURANCE <sup>3</sup>	CHANGES
Salaries and wages			(\$619)	(\$619)
Operating expenses	\$1,000	(\$2,102)		(1,102)
In lieu of tax payments				
Total all funds	\$1,000	(\$2,102)	(\$619)	(\$1,721)
Less estimated income				
General fund	\$1,000	(\$2,102)	(\$619)	(\$1,721)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment restores funding removed by the Senate for professional development.

<sup>2</sup> This amendment reduces funding for information technology by \$2,102 from the general fund, which represents a reduction in information technology funding of approximately 5 percent.

<sup>3</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

Engrossed SB 2005 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. BOWMAN MOVED** that the conference committee report on Engrossed SB 2005 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2005, as amended, was placed on the Eleventh order.

#### SECOND READING OF SENATE BILL

**SB 2005:** A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Traynor

Reengrossed SB 2005 passed and the title was agreed to.

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#### MOTION

**SEN. CHRISTMANN MOVED** that SB 2020 be moved to the top of the Seventh order, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2020, as engrossed:** Your conference committee (Sens. Andrist, Schobinger, Tallackson and Reps. Martinson, Rennerfeldt, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1131-1133, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1131-1133 of the Senate Journal and pages 1248 and 1249 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 10, replace "5,083,969" with "5,078,190"

Page 1, line 11, replace "1,234,141" with "1,270,004"

Page 1, line 12, replace "827,044" with "849,544"

Page 1, line 13, replace "1,000,000" with "1,300,000"

Page 1, after line 13, insert:

"Veterans' oral history project  
Cultural heritage grants

150,000  
75,000"



Page 1, line 15, replace "923,953" with "923,746"

Page 1, line 16, replace "9,073,599" with "9,650,976"

Page 1, line 17, replace "1,918,542" with "2,391,042"

Page 1, line 18, replace "7,155,057" with "7,259,934"

Page 2, after line 7, insert:

**"SECTION 5. EXEMPTION.** The state historical society's appropriation contained in section 1 of chapter 20 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 in an amount of up to \$540,000, of which \$440,000 is from the general fund and \$100,000 is from special funds. Of the \$540,000, \$25,000 is for cultural heritage grants and \$515,000 is for the completion of the confluence center exhibits and the era of change exhibits.

**SECTION 6. LEWIS AND CLARK BICENTENNIAL LINE ITEM AND CAPITAL ASSETS LINE ITEM TRANSFERS.** Notwithstanding any other provision of law, the state historical society may transfer funds between the Lewis and Clark bicentennial line item and the capital assets line item during the period beginning July 1, 2003, and ending June 30, 2005."

Page 2, line 8, after "item" insert ", \$300,000 of the grants line item relating to the federal historic preservation program, and the veterans' oral history project line item"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

##### Senate Bill No. 2020 - State Historical Society - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,135,558	\$5,083,969	(\$5,779)	\$5,078,190	\$5,078,190	
Operating expenses	1,234,141	1,234,141	35,863	1,270,004	1,177,595	\$92,409
Capital assets	889,544	827,044	22,500	849,544	849,544	
Grants	1,000,000	1,000,000	300,000	1,300,000	1,300,000	
Veterans' Oral History Project			150,000	150,000	150,000	
Cultural heritage grants			75,000	75,000	75,000	
Yellowstone-Missouri-Fort Union Commission	4,492	4,492		4,492	4,492	
Lewis and Clark Bicentennial	<u>1,025,295</u>	<u>923,953</u>	<u>(207)</u>	<u>923,746</u>	<u>923,746</u>	
Total all funds	\$9,289,030	\$9,073,599	\$577,377	\$9,650,976	\$9,558,567	\$92,409
Less estimated income	<u>1,918,542</u>	<u>1,918,542</u>	<u>472,500</u>	<u>2,391,042</u>	<u>2,391,042</u>	
General fund	\$7,370,488	\$7,155,057	\$104,877	\$7,259,934	\$7,167,525	\$92,409
FTE	57.00	57.00	0.00	57.00	57.00	0.00

##### Dept. 701 - State Historical Society - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	INCREASES FUNDING FOR CONFLUENCE CENTER EXHIBITS <sup>3</sup>	ADDS FUNDING FOR FEDERAL HISTORIC PRESERVATION PROGRAM <sup>4</sup>	ADDS FUNDING FOR VETERANS' ORAL HISTORY PROJECT <sup>5</sup>	ADDS NEW LINE ITEM FOR CULTURAL HERITAGE GRANTS
Salaries and wages	(\$5,779)					
Operating expenses		(\$14,137)				
Capital assets			\$22,500			
Grants				\$300,000		
Veterans' Oral History Project					\$150,000	
Cultural heritage grants						\$75,000
Yellowstone-Missouri-Fort Union Commission						
Lewis and Clark Bicentennial	<u>(207)</u>					
Total all funds	(\$5,986)	(\$14,137)	\$22,500	\$300,000	\$150,000	\$75,000
Less estimated income			<u>22,500</u>	<u>300,000</u>	<u>150,000</u>	
General fund	(\$5,986)	(\$14,137)	\$0	\$0	\$0	\$75,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	PROVIDES FUNDS RELATING TO NORTH DAKOTA HERITAGE CENTER EXPANSION <sup>6</sup>	TOTAL CONFERENCE COMMITTEE CHANGES				

Salaries and wages		(\$5,779)
Operating expenses	\$50,000	35,863
Capital assets		22,500
Grants		300,000
Veterans' Oral History Project		150,000
Cultural heritage grants		75,000
Yellowstone-Missouri-Fort Union Commission		
Lewis and Clark Bicentennial		(207)
Total all funds	\$50,000	\$577,377
Less estimated income		472,500
General fund	\$50,000	\$104,877
FTE	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$14,137 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

<sup>3</sup> This amendment increases funding for the Confluence Center exhibits due to the receipt of new federal money.

<sup>4</sup> This amendment adds funding to the grants line item for new federal money received for the historic preservation program.

<sup>5</sup> This amendment adds a new line item due to the receipt of new federal money for the Veterans' Oral History Project.

<sup>6</sup> This amendment provides \$50,000 from the general fund to the State Historical Society for the purpose of completing building specifications, architectural drawings, and marketing plans relating to the expansion of the North Dakota Heritage Center archives and historical research library section.

This amendment also adds a new section to allow for the carryover of \$540,000 for the completion of the confluence exhibits, era of change exhibits, and for cultural heritage grants; adds a new section to allow the State Historical Society the flexibility to transfer funds between the Lewis and Clark Bicentennial line item and the capital assets line item; and adds the Veterans' Oral History Project line item and \$300,000 of the grants line item relating to the federal historic preservation program to the emergency clause.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. ANDRIST MOVED** that the conference committee report on Engrossed SB 2020 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2020, as amended, was placed on the Fourteenth order.

#### SECOND READING OF SENATE BILL

**SB 2020:** A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nothing; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

Reengrossed SB 2020 passed, the title was agreed to, and the emergency clause was declared carried.

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#### 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 2005.

#### 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 2020.

**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 1015, HB 1489.

**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: HB 1004, HB 1021.

**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 1007, HB 1017.

**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 2017.

**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 1010, HB 1013, HB 1047, HB 1158.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 22, 2003: SB 2029, SB 2033, SB 2065, SB 2083, SB 2135, SB 2190, SB 2248, SB 2249, SB 2345, SB 2403, SB 2418.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 4:30 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Dalrymple presiding.

#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1007, as engrossed:** Your conference committee (Sens. Kilzer, Andrist, Lindaas and Reps. Kempenich, Delzer, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1355-1359, adopt amendments as follows, and place HB 1007 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1355-1359 of the House Journal and pages 1170-1174 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, line 3, replace the second "and" with "to provide for additional skilled nursing care bed capacity; to allow for line item transfers; to provide for a legislative council study;"

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

Page 1, line 14, replace "7,304,763" with "7,975,737"

Page 1, line 15, replace "2,525,427" with "2,711,704"

Page 1, line 17, replace "10,159,944" with "11,017,195"

Page 1, line 18, replace "7,497,035" with "7,971,123"

Page 1, line 19, replace "2,662,909" with "3,046,072"

Page 1, line 22, replace "525,393" with "524,292"

Page 1, line 23, replace "43,597" with "43,494"

Page 1, line 24, replace "481,796" with "480,798"

Page 2, line 1, replace "S.B." with "section 1 of H.B." and replace "3,144,705" with "3,526,870"

Page 2, line 2, replace "S.B." with "section 1 of H.B." and replace "7,540,632" with "8,014,617"

Page 2, line 3, replace "S.B." with "section 1 of H.B." and replace "10,685,337" with "11,541,487"

Page 2, line 15, remove "ADMINISTRATIVE COMMITTEE ON" and replace "AFFAIRS" with "HOME GOVERNING BOARD"

Page 2, line 16, remove "administrative"

Page 2, line 17, remove "committee on" and replace "affairs" with "home governing board"

Page 2, line 18, replace "committee's" with "board's"

Page 2, after line 19, insert:

**"SECTION 5. FULL-TIME EQUIVALENT POSITIONS - AUTHORIZATION.**

The governing board of the veterans' home may employ two new full-time equivalent employee positions for the veterans' home before June 30, 2003, as needed, subject to the availability of funds.

**SECTION 6. 2001-03 BIENNIUM LINE ITEM TRANSFERS - AUTHORIZATION.** Notwithstanding section 54-16-04, the veterans' home may transfer up to \$150,000 of appropriation authority between line items for the 2001-03 biennium to implement changes in technology and telecommunications, with the approval of the office of management and budget. Any line item transfers must be reported to the budget section.

**SECTION 7. SKILLED NURSING CARE BED PURCHASE - TRANSFER.** Notwithstanding the provisions of section 23 of chapter 431 of the 2001 Session Laws which require a reduction in licensed nursing facility bed capacity, the department of human services shall purchase eight skilled nursing care beds after April 14, 2003, from funding available in section 23 of chapter 431 of the 2001 Session Laws and transfer the purchased beds to the veterans' home in Lisbon.

**SECTION 8. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE CLASS LIMITS.** The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of establishing a separate payment rate class for the veterans' home and the related effect on the state's general fund and the long-term care industry in North Dakota. The study, if conducted, may be done in conjunction with the long-term care continuum study included in 2003 Senate Bill No. 1012. 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 9. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$96,924, or so much of the sum as may be necessary, and \$205,586 of federal funds to the department of human services for the purpose of medicaid reimbursement to the veterans' home relating to the addition of nursing home beds, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 10. EMERGENCY.** Sections 5, 6, and 7 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1007 - Summary of Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$0	\$0	\$385,373	(\$385,373)
Less estimated income						
General fund	\$0	\$0	\$0	\$0	\$385,373	(\$385,373)
Veterans' Home						
Total all funds	\$10,643,938	\$10,159,944	\$857,251	\$11,017,195	\$10,366,379	\$650,816
Less estimated income	7,318,664	7,497,035	474,088	7,971,123	7,070,255	900,868
General fund	\$3,325,274	\$2,662,909	\$383,163	\$3,046,072	\$3,296,124	(\$250,052)
Department of Veterans' Affairs						
Total all funds	\$529,898	\$525,393	(\$1,101)	\$524,292	\$524,389	(\$97)
Less estimated income	43,935	43,597	(103)	43,494	43,494	
General fund	\$485,963	\$481,796	(\$998)	\$480,798	\$480,895	(\$97)

Total all funds	\$0	\$0	\$302,510	\$302,510	\$1,142,388	(\$839,878)
Less estimated income			205,586	205,586	776,367	(570,781)
General fund	\$0	\$0	\$96,924	\$96,924	\$366,021	(\$269,097)
<b>Bill Total</b>						
Total all funds	\$11,173,836	\$10,685,337	\$1,158,660	\$11,843,997	\$12,418,529	(\$574,532)
Less estimated income	7,362,599	7,540,632	679,571	8,220,203	7,890,116	330,087
General fund	\$3,811,237	\$3,144,705	\$479,089	\$3,623,794	\$4,528,413	(\$904,619)

**House Bill No. 1007 - Veterans' Home - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$7,678,757	\$7,304,763	\$670,974	\$7,975,737	\$7,405,607	\$570,130
Operating expenses	2,635,427	2,525,427	186,277	2,711,704	2,631,018	80,686
Capital assets	329,754	329,754		329,754	329,754	
Total all funds	\$10,643,938	\$10,159,944	\$857,251	\$11,017,195	\$10,366,379	\$650,816
Less estimated income	7,318,664	7,497,035	474,088	7,971,123	7,070,255	900,868
General fund	\$3,325,274	\$2,662,909	\$383,163	\$3,046,072	\$3,296,124	(\$250,052)
FTE	88.01	87.41	2.00	89.41	89.01	0.40

**Dept. 313 - Veterans' Home - Detail of Conference Committee Changes**

	CHANGES FUNDING SOURCE <sup>1</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>2</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>3</sup>	INCREASES FUNDING FOR ADDITIONAL SKILLED CARE BEDS	PROVIDES FOR ADDITIONAL FTE POSITIONS <sup>4</sup>	ADDS FUNDING FOR SALARIES <sup>5</sup>
Salaries and wages		(\$10,630)		\$570,130		\$111,474
Operating expenses			(\$6,302)	86,784		
Capital assets						
Total all funds	\$0	(\$10,630)	(\$6,302)	\$656,914	\$0	\$111,474
Less estimated income	(174,200)	(2,580)	(6,046)	656,914		
General fund	\$174,200	(\$8,050)	(\$256)	\$0	\$0	\$111,474
FTE	0.00	0.00	0.00	0.00	2.00	0.00
	INCREASES FUNDING FOR OPERATING COSTS <sup>6</sup>	TOTAL CONFERENCE COMMITTEE CHANGES				
Salaries and wages		\$670,974				
Operating expenses	\$105,795	186,277				
Capital assets						
Total all funds	\$105,795	\$857,251				
Less estimated income		474,088				
General fund	\$105,795	\$383,163				
FTE	0.00	2.00				

<sup>1</sup> The Conference Committee amendment restores \$174,200 of the general fund reduction made by the House and reduces other funds by the same amount. The Senate had provided for a funding source switch of \$424,200, or \$250,000 more than the Conference Committee amendment.

<sup>2</sup> Reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>3</sup> This amendment reduces funding for information technology by \$256 from the general fund and \$6,046 from special funds, which represents a reduction in information technology funding from the general fund and special funds of approximately 5 percent.

<sup>4</sup> The Conference Committee provided authorization for two additional FTE positions within existing spending authority.

<sup>5</sup> Increases funding for salaries and wages.

<sup>6</sup> Restores \$105,795 of the reduction made in the House for operating expenses.

The Conference Committee added language authorizing the Veterans' Home Governing Board to add two FTE positions during the 2001-03 biennium, subject to the availability of funds.

The Conference Committee provided for line item transfer authority of up to \$150,000 during the 2001-03 biennium within existing appropriation authority for implementing technology and telecommunications changes.

The Conference Committee provides that the Department of Human Services purchase of eight skilled nursing care beds after April 14, 2003, be transferred to the Veterans' Home. The Conference Committee also provided an appropriation to the Department of Human Services for additional related Medicaid reimbursement costs to the Veterans' Home.

The Conference Committee provided that periodic reports to the Budget Section on the status of developing and implementing a strategic plan for the Veterans' Home be made by the Veterans' Home Governing Board, rather than the Administrative Committee on Veterans' Affairs.

The Conference Committee provided for a Legislative Council study of the feasibility and desirability of implementing a separate rate class for the Veterans' Home.

#### House Bill No. 1007 - Department of Veterans' Affairs - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Veterans' affairs administration	<u>\$529,898</u>	<u>\$525,393</u>	<u>(\$1,101)</u>	<u>\$524,292</u>	<u>\$524,389</u>	<u>(\$97)</u>
Total all funds	\$529,898	\$525,393	(\$1,101)	\$524,292	\$524,389	(\$97)
Less estimated income	<u>43,935</u>	<u>43,597</u>	<u>(103)</u>	<u>43,494</u>	<u>43,494</u>	_____
General fund	\$485,963	\$481,796	(\$998)	\$480,798	\$480,895	(\$97)
FTE	5.00	5.00	0.00	5.00	5.00	0.00

#### Dept. 321 - Department of Veterans' Affairs - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Veterans' affairs administration	<u>(\$619)</u>	<u>(\$482)</u>	<u>(\$1,101)</u>
Total all funds	(\$619)	(\$482)	(\$1,101)
Less estimated income	<u>(103)</u>	_____	<u>(103)</u>
General fund	(\$516)	(\$482)	(\$998)
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$482 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

#### House Bill No. 1007 - Department of Human Services - Program/Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Grants - Medical assistance	_____	_____	<u>\$302,510</u>	<u>\$302,510</u>	<u>\$1,142,388</u>	<u>(\$839,878)</u>
Total all funds	\$0	\$0	\$302,510	\$302,510	\$1,142,388	(\$839,878)
Less estimated income	_____	_____	<u>205,586</u>	<u>205,586</u>	<u>776,367</u>	<u>(570,781)</u>
General fund	\$0	\$0	\$96,924	\$96,924	\$366,021	(\$269,097)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

#### Dept. 328 - Department of Human Services - Program/Policy - Detail of Conference Committee Changes

	PROVIDES MEDICAID REIMBURSEMENT FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Grants - Medical assistance	<u>\$302,510</u>	<u>\$302,510</u>
Total all funds	\$302,510	\$302,510
Less estimated income	<u>205,586</u>	<u>205,586</u>
General fund	\$96,924	\$96,924
FTE	0.00	0.00

<sup>1</sup> This amendment provides an appropriation to the Department of Human Services relating to Medicaid reimbursement to the Veterans' Home for the addition of an additional eight nursing home beds as follows:

Addition of nursing home beds	
General fund	\$96,924
Federal funds	205,586
Total	\$302,510

Engrossed HB 1007 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. KILZER MOVED** that the conference committee report on Engrossed HB 1007 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1007, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1007:** A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to provide for a performance audit of the department of veterans' affairs and the administrative committee on veterans' affairs; to provide for additional skilled nursing care bed capacity; to allow for line item transfers; to provide for a legislative council study; to provide reports to the budget section; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

Engrossed HB 1007, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1004, as engrossed:** Your conference committee (Sens. Andrist, Kilzer, Mathern and Reps. Kempenich, Bellew, Kerzman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1319-1321, adopt amendments as follows, and place HB 1004 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1319-1321 of the House Journal and pages 1149-1151 of the Senate Journal and that Engrossed House Bill No. 1004 be amended as follows:

Page 1, line 2, after "23-01" insert "and a new section to chapter 23-09.3"

Page 1, line 4, after "units" insert "and to basic care facility license fees; to amend and reenact section 23-16-03 of the North Dakota Century Code, relating to health facilities licensing fees" and remove "a statement"

Page 1, line 5, remove "of"

Page 1, line 13, replace "29,787,430" with "29,972,929"

Page 1, line 14, replace "24,199,459" with "24,151,257"

Page 1, line 16, replace "36,156,628" with "36,190,628"

Page 1, line 17, replace "7,452,097" with "7,783,097"

Page 1, line 19, replace "116,905,586" with "117,407,883"

Page 1, line 20, replace "103,758,195" with "104,306,791"

Page 1, line 21, replace "13,147,391" with "13,101,092"

Page 2, line 4, replace "\$200,000" with "\$250,000"

Page 2, line 22, replace "\$5,830,000" with "\$5,760,000"

Page 3, underscore lines 6 through 11

Page 3, after line 11, insert:

**"SECTION 11.** A new section to chapter 23-09.3 of the North Dakota Century Code is created and enacted as follows:

Application for license - License fee. Applicants for a license shall file applications under oath with the state department of health upon forms prescribed. An application for a license for facilities not owned by the state or its political subdivisions must be accompanied by a fee of ten dollars per bed. License fees collected pursuant to this section must be deposited in the state department of health services operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 12. AMENDMENT.** Section 23-16-03 of the North Dakota Century Code is amended and reenacted as follows:

**23-16-03. Application for license - License fee.** Applicants for license shall file applications under oath with the state department of health upon forms prescribed. Applications must be signed by the owner, or in the case of a corporation by two of its officers, or in the case of a county or municipal unit by the head of the governmental department having jurisdiction over it. Applications must set forth the full name and address of the owner of the institution for which license is sought, the names of the persons in control thereof, and such additional information as the state department of health may require, including affirmative evidence of ability to comply with such minimum standards, rules, and regulations as may be lawfully prescribed pursuant to this section. An application for a license for facilities not owned by the state or its political subdivisions must be accompanied by the following fees:

1. For each licensed acute care bed, ten dollars.
2. For each licensed skill care bed, ~~seven~~ ten dollars.
3. ~~For each licensed intermediate care bed, five dollars.~~

License fees collected pursuant to this section must be deposited in the state department of health services operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly."

Page 3, line 18, replace "duplicated" with "federal, state, and local agency" and replace "of the" with "and"

Page 3, line 19, remove "administrative", replace "to" with ", duplicated procedures, and added regulations for", and remove "and the potential for waivers from"

Page 3, line 20, remove "these procedures", after the period insert "The study must also explore the potential for mitigating the impact of new mandated federal rules through additional collaboration between the state department of health and the department of human services and the submission of waiver requests.", and after the comma insert "including the potential for federal waivers and collaboration between agencies that may result in efficiencies,"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1004 - State Department of Health - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$30,219,050	\$29,787,430	\$185,499	\$29,972,929	\$29,972,929	
Operating expenses	25,295,911	24,199,459	(48,202)	24,151,257	24,113,564	\$37,693
Capital assets	1,629,972	1,629,972		1,629,972	1,629,972	



Grants	36,176,628	36,156,628	34,000	36,190,628	36,190,628	
Tobacco program	7,478,097	7,452,097	331,000	7,783,097	7,782,097	1,000
WIC food payments	<u>17,680,000</u>	<u>17,680,000</u>		<u>17,680,000</u>	<u>17,680,000</u>	
Total all funds	\$118,479,658	\$116,905,586	\$502,297	\$117,407,883	\$117,369,190	\$38,693
Less estimated income	<u>104,818,294</u>	<u>103,758,195</u>	<u>548,596</u>	<u>104,306,791</u>	<u>104,261,058</u>	<u>45,733</u>
General fund	\$13,661,364	\$13,147,391	(\$46,299)	\$13,101,092	\$13,108,132	(\$7,040)
FTE	312.00	311.00	2.00	313.00	313.00	0.00

## Dept. 301 - State Department of Health - Detail of Conference Committee Changes

	INCREASES FUNDING FOR TOBACCO QUIT LINE <sup>1</sup>	PROVIDES FUNDING FOR DONATED DENTAL SERVICES PROGRAM <sup>2</sup>	PROVIDES FUNDING FOR HEALTHY NORTH DAKOTA <sup>3</sup>	PROVIDES FUNDING FOR SCHOOL HEALTH PROGRAM <sup>4</sup>	REMOVES FUNDING FOR COMMUNITY HEALTH GRANT PROGRAMS <sup>5</sup>	INCREASES FUNDING FOR BASIC CARE LICENSING ACTIVITIES <sup>6</sup>
Salaries and wages			\$104,801	\$113,000		
Operating expenses	\$280,000		77,215	87,000		\$122,250
Capital assets						
Grants		\$14,000	20,000			
Tobacco program					(\$350,000)	
WIC food payments						
Total all funds	\$280,000	\$14,000	\$202,016	\$200,000	(\$350,000)	\$122,250
Less estimated income	<u>280,000</u>	<u>14,000</u>	<u>202,016</u>	<u>200,000</u>	<u>(350,000)</u>	<u>72,250</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$50,000
FTE	0.00	0.00	1.00	1.00	0.00	0.00
	MOVES FUNDING FOR QUIT LINE TO TOBACCO LINE ITEM <sup>7</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>8</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>9</sup>	RESTORES FUNDING FOR PERSONAL COMPUTER PURCHASES <sup>10</sup>	CHANGES FUNDING SOURCE FOR GRANTS TO THE NORTH DAKOTA STOCKMEN'S ASSOCIATION <sup>11</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$32,302)				\$185,499
Operating expenses	(\$680,000)		(\$46,308)	\$111,641		(48,202)
Capital assets						
Grants						34,000
Tobacco program	680,000			1,000		331,000
WIC food payments						
Total all funds	\$0	(\$32,302)	(\$46,308)	\$112,641	\$0	\$502,297
Less estimated income		<u>(21,203)</u>	<u>(11,108)</u>	<u>112,641</u>	<u>50,000</u>	<u>548,596</u>
General fund	\$0	(\$11,099)	(\$35,200)	\$0	(\$50,000)	(\$46,299)
FTE	0.00	0.00	0.00	0.00	0.00	2.00

<sup>1</sup> This amendment increases funding from \$400,000 to \$680,000 from the community health trust fund for the tobacco quit line. The House had reduced the tobacco quit line funding from \$800,000 to \$400,000.

<sup>2</sup> This amendment provides an additional \$14,000 of federal funds authority, for a total of \$35,000 of federal funds authority for the donated dental services program.

<sup>3</sup> This amendment provides federal or special funds spending authority for the Healthy North Dakota program and one associated FTE human service program administrator position. The House removed general fund authority and one FTE position for the Healthy North Dakota program.

<sup>4</sup> This amendment provides federal funds to be transferred from the Department of Public Instruction to coordinate school health programs and improve the health, education, and well-being of young people and adds one FTE human service program administrator position.

<sup>5</sup> This amendment removes funding from the community health trust fund for the Community Health Grant Program Advisory Committee (\$100,000) and for city and county employee tobacco cessation programs (\$250,000). Funding for these programs are to be included in Senate Bill No. 2297.

<sup>6</sup> The Conference Committee provided additional funding for basic care licensing activities from a \$50,000 general fund appropriation and increases in hospital and nursing facility licensing fees and from the establishment of basic care facility licensing fees.

<sup>7</sup> This amendment moves the funding for the tobacco quit line from the operating line item to the tobacco program line item.

<sup>8</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

<sup>9</sup> This amendment reduces funding for information technology by \$35,200 from the general fund and \$11,108 from special funds, which represents a reduction in information technology funding from the general fund and special funds of approximately 5 percent.

<sup>10</sup> The Conference Committee restored \$112,641 of federal funds for personal computer purchases which was removed by the House.

<sup>11</sup> The Conference Committee changed the funding source for a grant to the North Dakota Stockmen's Association environmental services program from the general fund to the environment and rangeland protection fund.

The Conference Committee increased the per bed licensing fees as follows:

	CURRENT RATE	AMENDED RATE
Hospitals	\$10	\$10
Nursing facilities	\$7	\$10
Basic care facilities	\$0	\$10

The Conference Committee amended the section for the Legislative Council study of the nursing home survey process to provide that the nursing home survey study include a review of federal, state, and local agency procedures.

Engrossed HB 1004 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. ANDRIST MOVED** that the conference committee report on Engrossed HB 1004 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1004, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1004:** A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to create and enact a new section to chapter 23-01 and a new section to chapter 23-09.3 of the North Dakota Century Code, relating to the state department of health combining purchasing with or on behalf of local public health units and to basic care facility license fees; to amend and reenact section 23-16-03 of the North Dakota Century Code, relating to health facilities licensing fees; to provide a continuing appropriation; to provide legislative intent; 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, the roll was called and there were 44 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**NAYS:** Bercier

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

Engrossed HB 1004, as amended, passed and the title was agreed to.

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1017, as engrossed:** Your conference committee (Sens. Grindberg, Thane, Tallackson and Reps. Wald, Brusegaard, Guleson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1359-1360, adopt amendments as follows, and place HB 1017 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1359 and 1360 of the House Journal and pages 1177 and 1178 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide an exemption; to provide for a legislative council study; and to declare an emergency"

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,017,882"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:  
"Work force 2000"

1,250,000"

Page 1, line 12, replace "special funds appropriation" with "all funds" and replace "35,799,490" with "57,454,717"

Page 1, after line 12, insert:

"Less estimated income

56,204,717

Total general fund appropriation

\$1,250,000"

Page 1, after line 15, insert:

**"SECTION 3. EXEMPTION.** The work force 2000 appropriation contained in section 1 of chapter 42 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$225,000 and any unexpended funds from this appropriation are available to be used to subcontract with the North Dakota manufacturing extension partnership to provide training within industries and lean manufacturing training to North Dakota residents employed at motor coach industries during the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 4. WORK FORCE 2000 FUNDING.** Fifty percent of the work force 2000 funding in section 1 of this Act must be used for projects for new or expanding businesses in North Dakota.

**SECTION 5. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS.** The legislative council shall consider studying during the 2003-04 interim the impact of pending federal legislation that would significantly change the respective federal-state responsibilities and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. The study should consider appropriate organizational placement within state government for delivery of workforce development, workforce training, public labor exchange, and unemployment insurance programs, appropriate methods of funding the programs, including replacement of the Federal Unemployment Tax Act funds currently funding the administration of the unemployment insurance and public labor exchange program, and other relevant issues as may be identified. 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 6. EMERGENCY.** Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1017 - Job Service North Dakota - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$34,411,497	\$25,031,370	\$8,986,512	\$34,017,882	\$34,017,882	
Operating expenses	14,529,359	10,718,437	3,810,922	14,529,359	14,529,359	
Capital assets	39,684	39,684		39,684	39,684	
Grants	7,617,792	9,999	7,607,793	7,617,792	7,617,792	
Work Force 2000	<u>2,002,861</u>		<u>1,250,000</u>	<u>1,250,000</u>	<u>1,500,000</u>	(\$250,000)
Total all funds	\$58,601,193	\$35,799,490	\$21,655,227	\$57,454,717	\$57,704,717	(\$250,000)
Less estimated income	<u>56,598,332</u>	<u>35,799,490</u>	<u>20,405,227</u>	<u>56,204,717</u>	<u>56,204,717</u>	
General fund	\$2,002,861	\$0	\$1,250,000	\$1,250,000	\$1,500,000	(\$250,000)
FTE	367.17	363.17	4.00	367.17	367.17	0.00

#### Dept. 380 - Job Service North Dakota - Detail of Conference Committee Changes

REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	RESTORES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS 2	RESTORES FUNDING FOR WORK FORCE 2000 3	TOTAL CONFERENCE COMMITTEE CHANGES
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Salaries and wages	(\$39,323)	\$9,025,835		\$8,986,512
Operating expenses		3,810,922		3,810,922
Capital assets				
Grants		7,607,793		7,607,793
Work Force 2000			<u>\$1,250,000</u>	<u>1,250,000</u>
Total all funds	(\$39,323)	\$20,444,550	\$1,250,000	\$21,655,227
Less estimated income	<u>(39,323)</u>	<u>20,444,550</u>		<u>20,405,227</u>
General fund	\$0	\$0	\$1,250,000	\$1,250,000
FTE	0.00	0.00	4.00	4.00

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

<sup>2</sup> This amendment restores special funds totaling \$20,444,550 that was transferred by the House from Job Service North Dakota to the Department of Commerce. The funding relates to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292).

<sup>3</sup> This amendment restores funding of \$1,250,000 from the general fund and four FTE positions relating to the Work Force 2000 program that were transferred by the House to the Department of Commerce. This amendment requires 50 percent of the funding to be used for new or expanding businesses. The Senate restored funding of \$1,500,000 from the general fund and four FTE positions relating to the program with the requirement that \$150,000 of the \$1,500,000 be available for projects in areas of the state that are not within five miles of a city with a population of more than 8,000.

This amendment also:

- Adds a section to the bill to allow Job Service North Dakota to carry over funding of \$225,000 for the Work Force 2000 program from the 2001-03 biennium to the 2003-05 biennium to subcontract with the North Dakota Manufacturing Extension Partnership to provide training within industries and lean manufacturing training to individuals employed at Motor Coach Industries.
- Adds a section to the bill providing for a Legislative Council study of workforce development, workforce training, public labor exchange, and unemployment insurance program delivery systems.

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. GRINDBERG MOVED** that the conference committee report on Engrossed HB 1017 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1017, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1017:** A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; to provide an exemption; 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, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

Engrossed HB 1017, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1021, as engrossed:** Your conference committee (Sens. Bowman, Holmberg, Lindaas and Reps. Brusegaard, Wald, Guleson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1448-1452, adopt amendments as follows, and place HB 1021 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1448-1452 of the House Journal and pages 1269-1274 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 3, after "farm" insert "; to provide legislative intent; and to provided for a transfer"

Page 1, after line 13, insert:

"Extension service

\$33,567,597

Soil conservation committee

778,679"

Page 1, line 14, replace "34,415,856" with "34,346,276"

Page 1, line 15, replace "20,500,178" with "20,486,830"

Page 1, line 16, replace "13,915,678" with "13,859,446"

Page 1, line 19, replace "1,524,784" with "1,523,347"

Page 1, line 20, replace "777,825" with "777,345"

Page 1, line 21, replace "746,959" with "746,002"

Page 2, line 1, replace "10, 848,064" with "10,844,750"

Page 2, line 2, replace "10,364,776" with "10,361,651"

Page 2, line 3, replace "483,288" with "483,099"

Page 2, line 6, replace "59,757,658" with "60,517,214"

Page 2, line 7, replace "31,519,854" with "32,306,474"

Page 2, line 8, replace "28,237,804" with "28,210,740"

Page 2, line 11, replace "5,282,891" with "5,281,134"

Page 2, line 12, replace "1,669,065" with "1,667,387"

Page 2, line 13, replace "1,523,475" with "1,521,475"

Page 2, line 14, replace "1,283,914" with "1,282,885"

Page 2, line 15, replace "1,714,374" with "1,712,510"

Page 2, line 16, replace "1,644,295" with "1,643,075"

Page 2, line 17, replace "3,329,112" with "3,326,616"

Page 2, line 18, replace "16,447,126" with "16,435,082"

Page 2, line 19, replace "8,968,852" with "8,967,403"

Page 2, line 20, replace "7,478,274" with "7,467,679"

Page 2, line 23, replace "1,166,914" with "1,166,604"

Page 2, line 24, replace "1,166,914" with "1,166,604"

Page 2, line 25, replace "50,862,003" with "50,766,966"

Page 2, line 26, replace "73,298,399" with "74,066,307"

Page 2, line 27, replace "124,160,402" with "124,833,273"

Page 3, after line 31, insert:

**"SECTION 8. LEGISLATIVE INTENT - BEEF SYSTEMS CENTER OF EXCELLENCE.** It is the intent of the fifty-eighth legislative assembly that a beef systems center of excellence be established by the department of animal and range

science with the \$800,000 appropriation provided in subdivision 4 of section 1 of this Act in accordance with the provisions of 2003 Senate Bill No. 2334.

**SECTION 9. AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION FUND - TRANSFER.** Notwithstanding the provisions of chapter 6-09.13, the Bank of North Dakota shall transfer \$800,000 from the agriculture partnership in assisting community expansion fund to the main research center. The transfer may not be made until \$1,000,000 of federal funds and \$1,000,000 of special funds from private contributions has been collected for the establishment of a beef systems center of excellence."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1021 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transportation Institute						
Total all funds	\$10,901,291	\$10,848,064	(\$3,314)	\$10,844,750	\$10,844,753	(\$3)
Less estimated income	<u>10,413,762</u>	<u>10,364,776</u>	<u>(3,125)</u>	<u>10,361,651</u>	<u>10,361,651</u>	
General fund	\$487,529	\$483,288	(\$189)	\$483,099	\$483,102	(\$3)
Branch research centers						
Total all funds	\$16,531,620	\$16,447,126	(\$12,044)	\$16,435,082	\$16,435,860	(\$778)
Less estimated income	<u>8,983,676</u>	<u>8,968,852</u>	<u>(1,449)</u>	<u>8,967,403</u>	<u>8,967,403</u>	
General fund	\$7,547,944	\$7,478,274	(\$10,595)	\$7,467,679	\$7,468,457	(\$778)
NDSU Extension Service						
Total all funds	\$35,341,437	\$34,415,856	(\$69,580)	\$34,346,276	\$34,354,458	(\$8,182)
Less estimated income	<u>21,239,318</u>	<u>20,500,178</u>	<u>(13,348)</u>	<u>20,486,830</u>	<u>20,486,830</u>	
General fund	\$14,102,119	\$13,915,678	(\$56,232)	\$13,859,446	\$13,867,628	(\$8,182)
Northern Crops Institute						
Total all funds	\$1,536,257	\$1,524,784	(\$1,437)	\$1,523,347	\$1,523,449	(\$102)
Less estimated income	<u>782,898</u>	<u>777,825</u>	<u>(480)</u>	<u>777,345</u>	<u>777,345</u>	
General fund	\$753,359	\$746,959	(\$957)	\$746,002	\$746,104	(\$102)
Main Research Station						
Total all funds	\$60,956,183	\$59,757,658	\$759,556	\$60,517,214	\$60,721,498	(\$204,284)
Less estimated income	<u>32,404,239</u>	<u>31,519,854</u>	<u>786,620</u>	<u>32,306,474</u>	<u>31,506,474</u>	<u>800,000</u>
General fund	\$28,551,944	\$28,237,804	(\$27,064)	\$28,210,740	\$29,215,024	(\$1,004,284)
Agronomy Seed Farm						
Total all funds	\$1,170,385	\$1,166,914	(\$310)	\$1,166,604	\$1,166,604	\$0
Less estimated income	<u>1,170,385</u>	<u>1,166,914</u>	<u>(310)</u>	<u>1,166,604</u>	<u>1,166,604</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill Total						
Total all funds	\$126,437,173	\$124,160,402	\$672,871	\$124,833,273	\$125,046,622	(\$213,349)
Less estimated income	<u>74,994,278</u>	<u>73,298,399</u>	<u>767,908</u>	<u>74,066,307</u>	<u>73,266,307</u>	<u>800,000</u>
General fund	\$51,442,895	\$50,862,003	(\$95,037)	\$50,766,966	\$51,780,315	(\$1,013,349)

#### House Bill No. 1021 - Transportation Institute - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transportation Institute	<u>\$10,901,291</u>	<u>\$10,848,064</u>	<u>(\$3,314)</u>	<u>\$10,844,750</u>	<u>\$10,844,753</u>	<u>(\$3)</u>
Total all funds	\$10,901,291	\$10,848,064	(\$3,314)	\$10,844,750	\$10,844,753	(\$3)
Less estimated income	<u>10,413,762</u>	<u>10,364,776</u>	<u>(3,125)</u>	<u>10,361,651</u>	<u>10,361,651</u>	
General fund	\$487,529	\$483,288	(\$189)	\$483,099	\$483,102	(\$3)
FTE	31.50	31.50	0.00	31.50	31.50	0.00

#### Dept. 627 - Transportation Institute - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Transportation Institute	<u>(\$3,302)</u>	<u>(\$12)</u>	<u>(\$3,314)</u>
Total all funds	(\$3,302)	(\$12)	(\$3,314)
Less estimated income	<u>(3,125)</u>		<u>(3,125)</u>
General fund	(\$177)	(\$12)	(\$189)
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$12 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

### House Bill No. 1021 - Branch Research Centers - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Dickinson Research Center	\$5,216,097	\$5,282,891	(\$1,757)	\$5,281,134	\$5,281,134	
Central Grasslands Research Center	1,677,073	1,669,065	(1,678)	1,667,387	1,667,578	(\$191)
Hettinger Research Center	1,616,622	1,523,475	(2,000)	1,521,475	1,521,669	(194)
Langdon Research Center	1,292,947	1,283,914	(1,029)	1,282,885	1,282,925	(40)
North Central Research Center	1,725,235	1,714,374	(1,864)	1,712,510	1,712,676	(166)
Williston Research Center	1,652,770	1,644,295	(1,220)	1,643,075	1,643,154	(79)
Carrington Research Center	3,350,876	3,329,112	(2,496)	3,326,616	3,326,724	(108)
Total all funds	\$16,531,620	\$16,447,126	(\$12,044)	\$16,435,082	\$16,435,860	(\$778)
Less estimated income	<u>8,983,676</u>	<u>8,968,852</u>	<u>(1,449)</u>	<u>8,967,403</u>	<u>8,967,403</u>	
General fund	\$7,547,944	\$7,478,274	(\$10,595)	\$7,467,679	\$7,468,457	(\$778)
FTE	73.65	73.65	0.00	73.65	73.65	0.00

### Dept. 628 - Branch Research Centers - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Dickinson Research Center	(\$1,757)		(\$1,757)
Central Grasslands Research Center	(724)	(\$954)	(1,678)
Hettinger Research Center	(1,028)	(972)	(2,000)
Langdon Research Center	(827)	(202)	(1,029)
North Central Research Center	(1,035)	(829)	(1,864)
Williston Research Center	(824)	(396)	(1,220)
Carrington Research Center	<u>(1,958)</u>	<u>(538)</u>	<u>(2,496)</u>
Total all funds	(\$8,153)	(\$3,891)	(\$12,044)
Less estimated income	<u>(1,449)</u>		<u>(1,449)</u>
General fund	(\$6,704)	(\$3,891)	(\$10,595)
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$3,891 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

### House Bill No. 1021 - NDSU Extension Service - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
NDSU Extension Service	\$35,341,437	\$34,415,856	(\$848,259)	\$33,567,597	\$33,575,779	(\$8,182)
Soil Conservation Committee			<u>778,679</u>	<u>778,679</u>	<u>778,679</u>	
Total all funds	\$35,341,437	\$34,415,856	(\$69,580)	\$34,346,276	\$34,354,458	(\$8,182)
Less estimate income	<u>21,239,318</u>	<u>20,500,178</u>	<u>(13,348)</u>	<u>20,486,830</u>	<u>20,486,830</u>	
General fund	\$14,102,119	\$13,915,678	(\$56,232)	\$13,859,446	\$13,867,628	(\$8,182)
FTE	277.57	270.57	0.00	270.57	270.57	0.00

### Dept. 630 - NDSU Extension Service - Detail of Conference Committee Changes

	CREATES SOIL CONSERVATION COMMITTEE LINE ITEM <sup>1</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>2</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>3</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
NDSU Extension Service	(\$778,679)	(\$28,669)	(\$40,911)	(\$848,259)
Soil Conservation Committee	<u>778,679</u>			<u>778,679</u>
Total all funds	\$0	(\$28,669)	(\$40,911)	(\$69,580)
Less estimated income		<u>(13,348)</u>		<u>(13,348)</u>
General fund	\$0	(\$15,321)	(\$40,911)	(\$56,232)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment creates a separate line item under NDSU Extension Service for the Soil Conservation Committee and transfers \$778,679 from the general fund to the line item.

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

<sup>3</sup> This amendment reduces funding for information technology by \$40,911 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

### House Bill No. 1021 - Northern Crops Institute - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Northern Crops Institute	<u>\$1,536,257</u>	<u>\$1,524,784</u>	<u>(\$1,437)</u>	<u>\$1,523,347</u>	<u>\$1,523,449</u>	<u>(\$102)</u>
Total all funds	\$1,536,257	\$1,524,784	(\$1,437)	\$1,523,347	\$1,523,449	(\$102)
Less estimated income	<u>782,898</u>	<u>777,825</u>	<u>(480)</u>	<u>777,345</u>	<u>777,345</u>	_____
General fund	\$753,359	\$746,959	(\$957)	\$746,002	\$746,104	(\$102)
FTE	8.17	8.17	0.00	8.17	8.17	0.00

### Dept. 638 - Northern Crops Institute - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Northern Crops Institute	<u>(\$929)</u>	<u>(\$508)</u>	<u>(\$1,437)</u>
Total all funds	(\$929)	(\$508)	(\$1,437)
Less estimated income	<u>(480)</u>	_____	<u>(480)</u>
General fund	(\$449)	(\$508)	(\$957)
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$508 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

### House Bill No. 1021 - Main Research Station - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Main Research Station	<u>\$60,956,183</u>	<u>\$59,757,658</u>	<u>\$759,556</u>	<u>\$60,517,214</u>	<u>\$60,721,498</u>	<u>(\$204,284)</u>
Total all funds	\$60,956,183	\$59,757,658	\$759,556	\$60,517,214	\$60,721,498	(\$204,284)
Less estimated income	<u>32,404,239</u>	<u>31,519,854</u>	<u>786,620</u>	<u>32,306,474</u>	<u>31,506,474</u>	<u>800,000</u>
General fund	\$28,551,944	\$28,237,804	(\$27,064)	\$28,210,740	\$29,215,024	(\$1,004,284)
FTE	358.55	349.19	0.00	349.19	349.19	0.00

### Dept. 640 - Main Research Station - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR BEEF SYSTEMS CENTER OF EXCELLENCE <sup>1</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>2</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>3</sup>	PROVIDES FUNDING FOR INTERACTIVE VIDEO NETWORK COSTS <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Main Research Station	<u>\$800,000</u>	<u>(\$39,020)</u>	<u>(\$21,424)</u>	<u>\$20,000</u>	<u>\$759,556</u>
Total all funds	\$800,000	(\$39,020)	(\$21,424)	\$20,000	\$759,556
Less estimated income	<u>800,000</u>	<u>(13,380)</u>	_____	_____	<u>786,620</u>
General fund	\$0	(\$25,640)	(\$21,424)	\$20,000	(\$27,064)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment provides \$800,000 to the Main Research Center from the agriculture partnership in assisting community expansion (Ag PACE) fund for establishment of a Beef Systems Center of Excellence in the Department of Animal and Range Science, pursuant to the provisions of 2003 Senate Bill No. 2334.

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

<sup>3</sup> This amendment reduces funding for information technology by \$21,424 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

<sup>4</sup> This amendment provides \$20,000 to the Main Research Center to be distributed to branch research centers to assist in offsetting Interactive Video Network costs in remote areas.



The Conference Committee replaced the \$1 million general fund appropriation for the Beef Systems Center of Excellence with a \$800,000 appropriation from the Ag PACE fund. The Conference Committee also added intent that \$1 million in federal funds and \$1 million in special funds be collected prior to spending the \$800,000 appropriation from the Ag PACE fund for the Beef Systems Center of Excellence.

#### House Bill No. 1021 - Agronomy Seed Farm - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Agronomy Seed Farm	<u>\$1,170,385</u>	<u>\$1,166,914</u>	<u>(\$310)</u>	<u>\$1,166,604</u>	<u>\$1,166,604</u>	_____
Total all funds	\$1,170,385	\$1,166,914	(\$310)	\$1,166,604	\$1,166,604	\$0
Less estimated income	<u>1,170,385</u>	<u>1,166,914</u>	<u>(310)</u>	<u>1,166,604</u>	<u>1,166,604</u>	_____
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	2.87	2.87	0.00	2.87	2.87	0.00

#### Dept. 649 - Agronomy Seed Farm - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Agronomy Seed Farm	<u>(\$310)</u>	<u>(\$310)</u>
Total all funds	(\$310)	(\$310)
Less estimated income	<u>(310)</u>	<u>(310)</u>
General fund	\$0	\$0
FTE	0.00	0.00

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

Engrossed HB 1021 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. BOWMAN MOVED** that the conference committee report on Engrossed HB 1021 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1021, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide legislative intent; and to provide for a transfer.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjelm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

Engrossed HB 1021, as amended, passed and the title was agreed to.

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#### REPORT OF CONFERENCE COMMITTEE

**SB 2335, as engrossed:** Your conference committee (Sens. Espgaard, Krebsbach, Heitkamp and Reps. Skarphol, Carlisle, Guleson) 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.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ESPEGARD MOVED** that the conference committee report on Engrossed SB 2335 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2335, as amended, was placed on the Eleventh order.

#### **SECOND READING OF SENATE BILL**

**SB 2335:** A BILL for an Act to create and enact a new subdivision to subsection 4 of section 6-09-15, a new section to chapter 6-09, and a new subsection to section 10-30.5-04 of the North Dakota Century Code, relating to powers of the Bank of North Dakota and powers of the North Dakota development fund, incorporated; 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, the roll was called and there were 43 YEAS, 2 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjelm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**NAYS:** Every; Fairfield

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

Reengrossed SB 2335 passed, the title was agreed to, and the emergency clause was declared carried.

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#### **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:
  4. a. Four units of English- language arts;
  2. b. ~~Three~~ Four units of mathematics;
  3. c. Four units of science;
  4. d. ~~Three~~ Four units of social studies, including one of world history and one of United States history, both of which must emphasize geography;
  5. e. ~~One~~ One-half unit of health and during each school year;
    - f. One-half unit of physical education- during each school year;
  6. 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:
  - 1- 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.
  - c. ~~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**

**SEN. FREBORG MOVED** that the conference committee report on Reengrossed SB 2154 be adopted.

#### **REQUEST**

**SEN. EVERY 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 27 YEAS, 18 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Brown; Christmann; Cook; Dever; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Schobinger; Stenehjerm; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**NAYS:** Bercier; Bowman; Christenson; Erbele; Every; Fairfield; Klein; Krauter; Lindaas; Mathern; Nelson; Nichols; O'Connell; Polovitz; Robinson; Seymour; Tallackson; Taylor

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

The conference committee report on Reengrossed SB 2154 was adopted.

Reengrossed 2154, as amended, was placed on the Eleventh order.

#### **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, the roll was called and there were 27 YEAS, 18 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Brown; Christmann; Cook; Dever; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Schobinger; Stenehjerm; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**NAYS:** Bercier; Bowman; Christenson; Erbele; Every; Fairfield; Klein; Krauter; Lindaas; Mathern; Nelson; Nichols; O'Connell; Polovitz; Robinson; Seymour; Tallackson; Taylor

**ABSENT AND NOT VOTING:** Heitkamp; Wardner

Reengrossed SB 2154 passed and the title was agreed to.

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**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 2335.

**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 1004, HB 1021.

**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 1007, HB 1017.

**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: HB 1002, HB 1018, HB 1020.

**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 1001.

**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 2005.

**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 2020.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that the absent members be excused, which motion prevailed.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the Fourth, Fifth, and Seventh orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:30 a.m., Wednesday, April 23, 2003, which motion prevailed.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2016, as engrossed:** Your conference committee (Sens. Grindberg, Andrisc, 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>	<u>(1,264)</u>	<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 <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	REMOVES FUNDING FOR REPAYMENT OF DISASTER RELIEF FUNDING <sup>3</sup>	PROVIDES FUNDING FOR INTEREST PAYMENTS RELATING TO DISASTER RELIEF FUNDING <sup>4</sup>	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

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

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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

**HB 1001, as engrossed:** Your conference committee (Sens. Grindberg, Christmann, Krauter and Reps. Martinson, Brusegaard, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1353-1355, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1353-1355 of the House Journal and pages 1168-1170 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 12, replace "5,496,604" with "5,482,878"



Page 1, line 13, replace "2,965,199" with "2,904,850"

Page 1, line 16, replace "8,635,327" with "8,561,252"

Page 1, line 19, replace "4,919,435" with "4,916,029"

Page 1, line 20, replace "2,224,973" with "2,184,827"

Page 1, line 22, replace "7,171,408" with "7,127,856"

Page 1, line 23, replace "15,806,735" with "15,689,108"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1001 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Legislative Assembly						
Total all funds	\$8,635,327	\$8,635,327	(\$74,075)	\$8,561,252	\$8,579,322	(\$18,070)
Less estimated income						
General fund	\$8,635,327	\$8,635,327	(\$74,075)	\$8,561,252	\$8,579,322	(\$18,070)
Legislative Council						
Total all funds	\$7,066,926	\$7,171,408	(\$43,552)	\$7,127,856	\$6,985,885	\$141,971
Less estimated income						
General fund	\$7,066,926	\$7,171,408	(\$43,552)	\$7,127,856	\$6,985,885	\$141,971
Bill Total						
Total all funds	\$15,702,253	\$15,806,735	(\$117,627)	\$15,689,108	\$15,565,207	\$123,901
Less estimated income						
General fund	\$15,702,253	\$15,806,735	(\$117,627)	\$15,689,108	\$15,565,207	\$123,901

#### House Bill No. 1001 - Legislative Assembly - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,496,604	\$5,496,604	(\$13,726)	\$5,482,878	\$5,482,878	
Operating expenses	2,965,199	2,965,199	(60,349)	2,904,850	2,922,920	(\$18,070)
Capital assets	6,000	6,000		6,000	6,000	
National Conference of State Legislatures	167,524	167,524		167,524	167,524	
Total all funds	\$8,635,327	\$8,635,327	(\$74,075)	\$8,561,252	\$8,579,322	(\$18,070)
Less estimated income						
General fund	\$8,635,327	\$8,635,327	(\$74,075)	\$8,561,252	\$8,579,322	(\$18,070)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

#### Dept. 150 - Legislative Assembly - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	ADDS FUNDING FOR EQUIPMENT <sup>3</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$13,726)			(\$13,726)
Operating expenses		(\$90,349)	\$30,000	(60,349)
Capital assets				
National Conference of State Legislatures				
Total all funds	(\$13,726)	(\$90,349)	\$30,000	(\$74,075)
Less estimated income				
General fund	(\$13,726)	(\$90,349)	\$30,000	(\$74,075)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for health insurance premiums for legislators is reduced from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$90,349 from the general fund, which represents a reduction in information technology funding of approximately 5 percent.

<sup>3</sup> This amendment adds funding for replacing tables and chairs for the Brynhild Haugland Room and for replacing guest chairs for the chambers and Great Hall, the same as the Senate version.

## House Bill No. 1001 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$4,814,953	\$4,919,435	(\$3,406)	\$4,916,029	\$4,766,029	\$150,000
Operating expenses	2,224,973	2,224,973	(40,146)	2,184,827	2,192,856	(8,029)
Capital assets	<u>27,000</u>	<u>27,000</u>		<u>27,000</u>	<u>27,000</u>	
Total all funds	\$7,066,926	\$7,171,408	(\$43,552)	\$7,127,856	\$6,985,885	\$141,971
Less estimated income						
General fund	\$7,066,926	\$7,171,408	(\$43,552)	\$7,127,856	\$6,985,885	\$141,971
FTE	33.00	33.00	0.00	33.00	33.00	0.00

## Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$3,406)		(\$3,406)
Operating expenses		(\$40,146)	(40,146)
Capital assets			
Total all funds	(\$3,406)	(\$40,146)	(\$43,552)
Less estimated income			
General fund	(\$3,406)	(\$40,146)	(\$43,552)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$40,146 from the general fund, which represents a reduction in information technology funding of approximately 5 percent.

The Conference Committee amendment includes the \$150,000 added by the House for salary equity increases which the Senate removed.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

**HB 1002, as engrossed:** Your conference committee (Sens. Holmberg, Schobinger, Krauter and Reps. Koppelman, Carlisle, Warner) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1317-1319, adopt amendments as follows, and place HB 1002 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1317-1319 of the House Journal and pages 1146-1148 of the Senate Journal and that Engrossed House Bill No. 1002 be amended as follows:

Page 1, line 10, replace "5,852,238" with "5,847,592"

Page 1, line 11, replace "1,681,580" with "1,652,809"

Page 1, line 13, replace "7,666,106" with "7,632,689"

Page 1, line 16, replace "33,943,108" with "33,913,180"

Page 1, line 17, replace "10,992,308" with "13,998,950"

Page 1, line 22, replace "45,936,860" with "48,913,574"

Page 1, line 24, replace "44,174,125" with "47,150,839"

Page 2, line 3, replace "539,445" with "538,643"

Page 2, line 4, replace "539,445" with "538,643"

Page 2, line 5, replace "281,014" with "280,801"

Page 2, line 6, replace "258,431" with "257,842"

Page 2, line 7, replace "52,098,662" with "55,041,370"

Page 2, line 8, replace "2,043,749" with "2,043,536"

Page 2, line 9, replace "54,142,411" with "57,084,906"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1002 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Supreme Court						
Total all funds	\$7,794,858	\$7,666,106	(\$33,417)	\$7,632,689	\$7,638,442	(\$5,753)
Less estimated income						
General fund	<u>\$7,794,858</u>	<u>\$7,666,106</u>	<u>(\$33,417)</u>	<u>\$7,632,689</u>	<u>\$7,638,442</u>	<u>(\$5,753)</u>
District courts						
Total all funds	\$50,034,808	\$45,936,860	\$2,976,714	\$48,913,574	\$48,940,882	(\$27,308)
Less estimated income	<u>1,762,735</u>	<u>1,762,735</u>		<u>1,762,735</u>	<u>1,762,735</u>	
General fund	<u>\$48,272,073</u>	<u>\$44,174,125</u>	<u>\$2,976,714</u>	<u>\$47,150,839</u>	<u>\$47,178,147</u>	<u>(\$27,308)</u>
Judicial Conduct Commission						
Total all funds	\$544,227	\$539,445	(\$802)	\$538,643	\$538,722	(\$79)
Less estimated income	<u>283,500</u>	<u>281,014</u>	<u>(213)</u>	<u>280,801</u>	<u>280,801</u>	
General fund	<u>\$260,727</u>	<u>\$258,431</u>	<u>(\$589)</u>	<u>\$257,842</u>	<u>\$257,921</u>	<u>(\$79)</u>
Bill Total						
Total all funds	\$58,373,893	\$54,142,411	\$2,942,495	\$57,084,906	\$57,118,046	(\$33,140)
Less estimated income	<u>2,046,235</u>	<u>2,043,749</u>	<u>(213)</u>	<u>2,043,536</u>	<u>2,043,536</u>	
General fund	<u>\$56,327,658</u>	<u>\$52,098,662</u>	<u>\$2,942,708</u>	<u>\$55,041,370</u>	<u>\$55,074,510</u>	<u>(\$33,140)</u>

#### House Bill No. 1002 - Supreme Court - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,955,990	\$5,852,238	(\$4,646)	\$5,847,592	\$5,847,592	
Operating expenses	1,706,580	1,681,580	(28,771)	1,652,809	1,658,562	(\$5,753)
Judges' retirement	<u>132,288</u>	<u>132,288</u>		<u>132,288</u>	<u>132,288</u>	
Total all funds	\$7,794,858	\$7,666,106	(\$33,417)	\$7,632,689	\$7,638,442	(\$5,753)
Less estimated income						
General fund	<u>\$7,794,858</u>	<u>\$7,666,106</u>	<u>(\$33,417)</u>	<u>\$7,632,689</u>	<u>\$7,638,442</u>	<u>(\$5,753)</u>
FTE	44.50	44.50	0.00	44.50	44.50	0.00

#### Dept. 181 - Supreme Court - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$4,646)		(\$4,646)
Operating expenses		(\$28,771)	(28,771)
Judges' retirement			
Total all funds	(\$4,646)	(\$28,771)	(\$33,417)
Less estimated income			
General fund	<u>(\$4,646)</u>	<u>(\$28,771)</u>	<u>(\$33,417)</u>
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$28,771 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

#### House Bill No. 1002 - District Courts - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$34,662,877	\$33,943,108	(\$29,928)	\$33,913,180	\$33,913,180	
Operating expenses	14,223,487	10,992,308	3,006,642	13,998,950	14,026,258	(\$27,308)

Capital assets	109,500	74,500	74,500	74,500	
Judges' retirement	918,944	826,944	826,944	826,944	
UND Central Legal Research	80,000	80,000	80,000	80,000	
Alternative dispute resolution	40,000	20,000	20,000	20,000	
Total all funds	\$50,034,808	\$45,936,860	\$2,976,714	\$48,913,574	\$48,940,882 (\$27,308)
Less estimated income	<u>1,762,735</u>	<u>1,762,735</u>		<u>1,762,735</u>	<u>1,762,735</u>
General fund	\$48,272,073	\$44,174,125	\$2,976,714	\$47,150,839	\$47,178,147 (\$27,308)
FTE	287.50	287.50	0.00	287.50	287.50 0.00

**Dept. 182 - District Courts - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	RESTORES FUNDING FOR OPERATING EXPENSES <sup>3</sup>	RESTORES FUNDING FOR INDIGENT DEFENSE FEES <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$29,928)				(\$29,928)
Operating expenses		(\$136,537)	\$152,632	\$2,990,547	3,006,642
Capital assets					
Judges' retirement					
UND Central Legal Research					
Alternative dispute resolution					
Total all funds	(\$29,928)	(\$136,537)	\$152,632	\$2,990,547	\$2,976,714
Less estimated income					
General fund	(\$29,928)	(\$136,537)	\$152,632	\$2,990,547	\$2,976,714
FTE	0.00	0.00	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$136,537 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

<sup>3</sup> This amendment restores \$152,632 in the operating expenses line for the administration of indigent defense services that the House removed as part of the transfer of indigent defense services to the Office of Administrative Hearings in House Bill No. 1044.

<sup>4</sup> This amendment restores funding of \$2,990,547 to the operating expenses line for indigent defense fees that the House had removed as part of the transfer of indigent defense services to the Office of Administrative Hearings in House Bill No. 1044.

**House Bill No. 1002 - Judicial Conduct Commission - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Judicial Conduct Commission and Disciplinary Board	\$544,227	\$539,445	(\$802)	\$538,643	\$538,722	(\$79)
Total all funds	\$544,227	\$539,445	(\$802)	\$538,643	\$538,722	(\$79)
Less estimated income	<u>283,500</u>	<u>281,014</u>	<u>(213)</u>	<u>280,801</u>	<u>280,801</u>	
General fund	\$260,727	\$258,431	(\$589)	\$257,842	\$257,921	(\$79)
FTE	4.00	4.00	0.00	4.00	4.00	0.00

**Dept. 183 - Judicial Conduct Commission - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Judicial Conduct Commission and Disciplinary Board	(\$411)	(\$391)	(\$802)
Total all funds	(\$411)	(\$391)	(\$802)
Less estimated income	<u>(213)</u>		<u>(213)</u>
General fund	(\$198)	(\$391)	(\$589)
FTE	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$391 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1018, as engrossed:** Your conference committee (Sens. Schobinger, Christmann, Robinson and Reps. Skarphol, Svedjan, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1280-1281, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1280 and 1281 of the House Journal and page 1093 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 5, remove "out of any moneys in the general fund in the state"

Page 1, line 6, remove "treasury, not otherwise appropriated, and"

Page 1, line 9, replace "1,092,106" with "938,648"

Page 1, line 10, replace "3,299,168" with "304,310"

Page 1, line 11, replace "all funds" with "special funds appropriation" and replace "4,391,274" with "1,242,958"

Page 1, remove lines 12 and 13

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1018 - Office of Administrative Hearings - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$949,968	\$1,092,106	(\$153,458)	\$938,648	\$938,648	
Operating expenses	<u>313,621</u>	<u>3,299,168</u>	<u>(2,994,858)</u>	<u>304,310</u>	<u>308,621</u>	<u>(\$4,311)</u>
Total all funds	\$1,263,589	\$4,391,274	(\$3,148,316)	\$1,242,958	\$1,247,269	(\$4,311)
Less estimated income	<u>1,263,589</u>	<u>1,248,095</u>	<u>(5,137)</u>	<u>1,242,958</u>	<u>1,247,269</u>	<u>(4,311)</u>
General fund	\$0	\$3,143,179	(\$3,143,179)	\$0	\$0	\$0
FTE	8.00	9.00	(1.00)	8.00	8.00	0.00

**Dept. 140 - Office of Administrative Hearings - Detail of Conference Committee Changes**

	REMOVES FUNDING FOR INDIGENT DEFENSE FEES <sup>1</sup>	REMOVES SALARIES AND FTE POSITION <sup>2</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>3</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$152,632)	(\$826)		(\$153,458)
Operating expenses	<u>(\$2,990,547)</u>			<u>(\$4,311)</u>	<u>(2,994,858)</u>
Total all funds	(\$2,990,547)	(\$152,632)	(\$826)	(\$4,311)	(\$3,148,316)
Less estimated income			<u>(826)</u>	<u>(4,311)</u>	<u>(5,137)</u>
General fund	(\$2,990,547)	(\$152,632)	\$0	\$0	(\$3,143,179)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> This amendment removes the funding for indigent defense fees and the related responsibilities which were transferred from the judicial branch by the House pursuant to House Bill No. 1044. The indigent defense program will be funded in House Bill No. 1002 (Judicial Branch).

<sup>2</sup> This amendment removes the salaries and wages and related FTE position for administering the indigent defense contracts.

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

<sup>4</sup> This amendment reduces funding for information technology by \$4,311 from special funds, which represents a reduction in information technology funding of approximately 5 percent.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1020, as engrossed:** Your conference committee (Sens. Thane, Grindberg, Lindaas and Reps. Monson, Rennerfeldt, Guleson) recommends that the **SENATE RECEDE** from

the Senate amendments on HJ pages 1281-1283, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1281-1283 of the House Journal and pages 1093-1096 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 2, after "education" insert "; and to provide a statement of legislative intent"

Page 1, line 10, replace "2,969,634" with "2,966,641"

Page 1, line 11, replace "621,845" with "956,237"

Page 1, line 12, replace "19,637,083" with "19,291,883"

Page 1, after line 13, insert:  
"Workforce training 1,350,000"

Page 1, line 15, replace "24,211,774" with "25,547,973"

Page 1, line 16, replace "10,874,593" with "10,874,500"

Page 1, line 17, replace "13,337,181" with "14,673,473"

Page 1, after line 17, insert:

**"SECTION 2. LEGISLATIVE INTENT - HIGHER EDUCATION FUNDING.** It is the intent of the fifty-eighth legislative assembly that the funds totaling \$1,350,000 included in the state board for vocational and technical education for workforce training be considered by the North Dakota university system as a part of higher education's share of total general fund spending."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1020 - Vocational Education - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,001,677	\$2,969,634	(\$2,993)	\$2,966,641	\$2,966,641	
Operating expenses	621,845	621,845	334,392	956,237	958,398	(\$2,161)
Grants	20,037,083	19,637,083	(345,200)	19,291,883	19,291,883	
Adult farm management	625,760	625,760		625,760	625,760	
Workforce training	1,350,000		1,350,000	1,350,000	1,350,000	
Postsecondary education vocational grants	357,452	357,452		357,452		357,452
Postsecondary education vocational grants - Category I					357,452	(357,452)
Postsecondary education vocational grants - Category II					1,000,000	(1,000,000)
Total all funds	\$25,993,817	\$24,211,774	\$1,336,199	\$25,547,973	\$26,550,134	(\$1,002,161)
Less estimated income	<u>10,875,297</u>	<u>10,874,593</u>	<u>(93)</u>	<u>10,874,500</u>	<u>11,874,500</u>	<u>(1,000,000)</u>
General fund	\$15,118,520	\$13,337,181	\$1,336,292	\$14,673,473	\$14,675,634	(\$2,161)
FTE	27.50	27.50	0.00	27.50	27.50	0.00

#### Dept. 270 - Vocational Education - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	RESTORES WORKFORCE TRAINING FUNDS REMOVED BY THE HOUSE <sup>3</sup>	TRANSFERS FUNDING FROM GRANTS TO OPERATING EXPENSES <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,993)				(\$2,993)
Operating expenses		(\$10,808)		\$345,200	334,392
Grants				(345,200)	(345,200)
Adult farm management					
Workforce training			\$1,350,000		1,350,000
Postsecondary education vocational grants					
Postsecondary education vocational grants -					

Category I  
Postsecondary education  
vocational grants -  
Category II

Total all funds	(\$2,993)	(\$10,808)	\$1,350,000	\$0	\$1,336,199
Less estimated income	(93)				(93)
General fund	(\$2,900)	(\$10,808)	\$1,350,000	\$0	\$1,336,292
FTE	0.00	0.00	0.00	0.00	0.00

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

<sup>2</sup> This amendment reduces funding for information technology by \$10,808 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

<sup>3</sup> This amendment restores funding of \$1,350,000 for workforce training which the House had transferred to the Department of Commerce in House Bill No. 1019. The Senate also made this change.

<sup>4</sup> This amendment transfers a total of \$345,200 from the grants line item to the operating expenses line item for proper classification of the funds. Of the \$345,200, \$245,200 is for the transition to teaching grant, and \$100,000 is for the career development web site. The Senate also made this change.

The funding of \$1 million from the student loan trust fund for postsecondary education vocational grants - category II included by the Senate is removed.

A section of legislative intent is added providing that the North Dakota University System consider funds for the workforce training as part of higher education's share of the general fund spending.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Christmann's motion.

**WILLIAM R. HORTON, Secretary**

