

APPROPRIATIONS

CHAPTER 665

HOUSE BILL NO. 1505

(Representative Berg)

(Senator Stenehjem)

(Approved by the Delayed Bills Committee)

INFORMATION TECHNOLOGY DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the information technology department, the judicial branch, and the legislative council; to authorize the industrial commission to issue and sell evidences of indebtedness for connectND; to provide for the purchase of information technology equipment and software; to provide for the transfer of state agency information technology employees; to provide for reports to the budget section; to provide for a legislative council study; to create and enact a new section to chapter 54-10, a new section to chapter 54-35, two new sections to chapter 54-59, and a new subsection to section 54-59-05 of the North Dakota Century Code, relating to information technology responsibilities of the state auditor, information technology committee responsibilities, information technology services, and information technology department powers and duties; to amend and reenact sections 54-59-02, 54-59-05, and 54-59-09 of the North Dakota Century Code, relating to responsibilities of the information technology department and information technology standards; to repeal section 54-59-13 of the North Dakota Century Code, relating to information technology reviews; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$25,715,694
Operating expenses	33,120,860
Capital assets	5,323,000
Division of independent study	5,625,480
Educational technology council	793,818
EduTech	2,540,348
Wide area network	7,436,223
Enterprise resource planning system (connectND)	20,000,000
Geographic information system	678,343
Prairie public broadcasting	1,337,138
Criminal justice information sharing	4,741,200
Less budget adjustment	<u>(1,000,000)</u>

Total all funds	\$106,312,104
Less estimated income	<u>98,117,301</u>
Total general fund appropriation	\$8,194,803

SECTION 2. ESTIMATED INCOME - SPECIAL FUNDS TRANSFERS. The estimated income line item in section 1 of this Act includes \$862,059 from the special funds of various state agencies resulting from information technology reductions, for the biennium beginning July 1, 2003, and ending June 30, 2005. Notwithstanding any other provisions of law, the office of management and budget shall transfer to the information technology department the following amounts available from the special funds of the agencies listed, for the biennium beginning July 1, 2003, and ending June 30, 2005.

AGENCY	AMOUNT
State department of health	\$11,108
Aeronautics commission	6,942
Veterans' home	6,046
Department of financial institutions	7,881
Highway patrol	9,450
Department of transportation	350,000
Industrial commission	4,034
Bank of North Dakota	300,000
Housing finance agency	24,080
Mill and elevator association	23,230
Department of corrections and rehabilitation	24,567
Office of administrative hearings	4,311
Secretary of state	19,550
Attorney general	12,929
State auditor's office	1,465
Department of agriculture	1,329
Insurance commissioner	37,368
Vision services - School for the blind	2,725
Seed department	10,050
Parks and recreation department	<u>4,994</u>
Total	\$862,059

SECTION 3. APPROPRIATION AUTHORITY - REDUCTIONS. The office of management and budget shall reduce the special funds appropriation authority for the aeronautics commission, the department of financial institutions, the insurance commissioner, and the seed department, for the biennium beginning July 1, 2003, and ending June 30, 2005, by the amounts listed in section 2 of this Act relating to information technology reductions. The amounts will be available in the special funds for transfer as provided in section 2 of this Act.

SECTION 4. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. The industrial commission, acting as the North Dakota building authority, shall arrange through the issuance of evidences of indebtedness under chapter 54-17.2 from the effective date of this Act and ending June 30, 2005, for the funding in an amount not to exceed \$20,000,000 to be loaned to the information technology department for the purchase or lease of computer hardware and software and for the costs of the implementation services for the enterprise resource planning system commonly known as the connectND project. ConnectND is declared to be in the public interest and is, for the purpose of this Act, a project as that term is defined in chapter 54-17.2. The amount of the evidences of indebtedness may be reduced by any moneys made available from the higher education institutions. The proceeds of the evidences of indebtedness and other available funds, as appropriated in

section 1 of this Act, may be used for connectND project costs, debt service repayment, and refunding of connectND interim borrowings. The industrial commission shall issue evidences of indebtedness under this section with the condition that repayment on the evidences of indebtedness need not begin until July 1, 2005. For purposes of this Act, loan or debt service repayments are equivalent to lease rental payments as that term is used in chapter 54-17.2. ConnectND student fee revenues and other available funds are appropriated to the North Dakota university system for the North Dakota university system's share of the connectND project costs, debt service repayment, refunding of connectND interim borrowings, and other costs incidental to connectND implementation.

The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2005, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered into before that date.

The limitation provided in section 54-17.2-23 does not apply to repayments allocable to the evidences of indebtedness issued for the connectND project.

SECTION 5. EVIDENCES OF INDEBTEDNESS ISSUANCE REPAYMENT RESPONSIBILITY. Debt service on the evidences of indebtedness issued under section 4 of this Act must be available from charges made and collected by the information technology department from users of the system with twenty-nine percent of the debt service being the responsibility of state agencies and seventy-one percent of the debt service being the responsibility of higher education.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$45,999, or so much of the sum as may be necessary, to the judicial branch for the purpose of defraying costs associated with information technology, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. PURCHASE OF INFORMATION TECHNOLOGY EQUIPMENT AND SOFTWARE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE. After receiving input from executive branch state agencies, departments, and institutions, the information technology department shall establish information technology equipment and software product specifications and shall provide the product specifications to the office of management and budget to be used for procuring equipment and software as provided for in chapter 54-44.4. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the purchase of information technology equipment and software and related accountability reporting. All executive branch state agencies, departments, and institutions, excluding institutions under control of the state board of higher education, shall comply with the policies and guidelines unless exempted by the office of management and budget. The office of management and budget, in conjunction with the information technology department, shall aggregate information technology equipment and software purchases and administer contracts to achieve the most cost-effective results for the state. The information technology department shall provide periodic reports to the information technology committee regarding budgeted and actual information technology equipment and software purchases and estimated savings by funding source.

SECTION 8. TRANSFER OF APPROPRIATION AUTHORITY BETWEEN LINE ITEMS. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds

between line items for state agencies, departments, and institutions as may be requested to accommodate information technology funding reductions made by the fifty-eighth legislative assembly. The office of management and budget shall report to the budget section regularly on transfers made pursuant to this section.

SECTION 9. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items of appropriations in section 1 of this Act for the information technology department as may be requested by the chief information officer.

SECTION 10. TRANSFER OF STATE AGENCY INFORMATION TECHNOLOGY EMPLOYEE POSITIONS - CONSOLIDATION OF INFORMATION TECHNOLOGY FUNCTIONS. On November 1, 2003, the following number of authorized full-time equivalent employee positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services must be reduced and transferred from the named agencies to the information technology department, except as otherwise provided under this section or unless exempted by the chief information officer:

AGENCY	FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
Office of management and budget	1
Tax department	1
Department of public instruction	1
State department of health	1
Department of human services	5
Job service North Dakota	3
Industrial commission	1
Bank of North Dakota	1
Housing finance agency	1
Workers compensation bureau	2
Highway patrol	1
Department of corrections and rehabilitation	2
Game and fish department	1
State water commission	1
Department of transportation	2

After consultation with the information technology department, each affected agency shall identify the specific positions for reduction and transfer. The agency shall conduct any reduction-in-force analysis that may be required. Each agency shall limit its consideration to information technology related positions and shall identify for reduction and transfer those positions most closely associated with services assumed centrally by the information technology department.

Each affected agency shall establish an information technology services accounting code consisting of funding related to the salaries and wages for the identified employee positions and related funding for equipment, training, office rent, travel, contracted services, or other related costs. Each agency shall use the funding contained in the information technology services account to purchase information technology services from the information technology department. The information technology department may receive any funding relating to the purchase of information technology services under this section, which is hereby appropriated. Each agency is entitled to receive from the information technology department the equivalent in services that would have been performed by employees in the

transferred positions at a cost not exceeding the amounts transferred to the agency's information technology services account.

The information technology department shall determine the number of full-time equivalent positions necessary to provide the related information technology functions to state agencies. The department is authorized to employ the number of necessary employees and require all persons interested in filling the employee positions to apply with the department. In filling the employee positions, the department shall give preference to current state employees working in information technology. The department may make arrangements with the agency from which an employee was transferred to transfer any leave accrued by that employee.

In furtherance of the consolidation of information technology functions under this section, the supreme court and the attorney general shall continue to collaborate with the information technology department to implement the criminal justice information sharing program.

SECTION 11. INFORMATION TECHNOLOGY FUNCTION CONSOLIDATION - ACCUMULATED SAVINGS - TRANSFER TO THE GENERAL FUND. The office of management and budget and the information technology department shall achieve efficiencies during the biennium beginning July 1, 2003, and ending June 30, 2005, relating to the required consolidation of information technology functions, including electronic mail, file and print server administration, data base administration, storage, application server, hosting services, and related equipment. Notwithstanding the provisions of section 10 of this Act, the office of management and budget in conjunction with the information technology department, may exercise full discretion in achieving efficiencies and cost-savings expected from the proposed consolidation of information technology services, including any such modifications deemed advisable. The office of management and budget and the information technology department through efficiencies resulting from this consolidation shall achieve accumulated net savings totaling \$1,400,000 for the 2003-05 biennium. The director of the office of management and budget shall transfer the savings accumulated as a result of these efficiencies in the amount of \$1,400,000 to the general fund by June 30, 2005.

SECTION 12. INFORMATION TECHNOLOGY SERVICE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE AND THE BUDGET SECTION. The information technology department shall document information relating to the delivery of the consolidated services to agencies, including service dependability, agency complaints, and information technology department responsiveness, and shall report that information and the status of the accumulated savings to the information technology committee and the budget section as requested. Any agency receiving consolidated services may provide information to the information technology committee with respect to service availability, service dependability, complaints of the agency or of persons receiving services from the agency or the department, department responsiveness, and any additional costs incurred by the agency as a result of the consolidated services.

SECTION 13. INFORMATION TECHNOLOGY LEGISLATIVE COUNCIL STUDY - APPROPRIATION - REPORTS TO THE BUDGET SECTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the legislative council for the biennium beginning July 1, 2003, and ending June 30, 2005, for the purpose of contracting with consultants to conduct an information technology organizational study and an information technology management study and to provide assistance with the preparation of the request for

proposals and consultant oversight. The studies must be completed by October 1, 2003, and periodic progress reports on the status of the studies must be provided to the information technology committee. The information technology committee may extend the October 1, 2003, deadline as it deems appropriate. A final report must be presented to the budget section upon completion of the studies.

The information technology organizational study must include a review and identification of:

1. The cost and benefits of a centralized information technology structure and the cost and benefits of a decentralized information technology structure.
2. The cost of providing electronic mail administration, file and print server administration, seat management and desktop personal computer support, mainframe and distributed computing hosting services, consolidated storage management and disaster recovery, and software development.
3. The roles and responsibilities of agency personnel providing information technology services under a centralized information technology structure and a decentralized information technology structure.
4. The positions and competencies needed by the information technology department to provide the information technology services on a centralized basis, including the organizational changes required within the department to provide the centralized services.
5. The human resource management issues, including change management, training, and employee compensation, to be addressed for a successful centralization.
6. The adequacy and quality of the services as currently provided and proper performance measures.
7. The comparison of current costs to industry data and data from other states.
8. Information technology services appropriate to be performed by individual agencies.
9. A plan to either centralize or decentralize the services identified, including the reorganization tasks, personnel transfers, and the changes required for information technology budgeting and cost allocation processes.

The information technology management study must include a review of:

1. The technology management processes of other states and private industry with respect to prioritizing state agency information technology budget requests, establishing information technology standards and policies, and overseeing information technology expenditures.
2. The role of other states in providing information technology services to nonstate government entities.

3. The level of information technology outsourcing in other state governments and the private sector and the applicability to the state of North Dakota.
4. The trends that will impact technology deployment and spending in the next five to ten years.
5. The level of coordination in the management of enterprise initiatives, such as the statewide wide area network, the enterprise resource planning system initiative, the geographic information system initiative, and the criminal justice information sharing initiative, compared to other states, including a recommendation regarding the appropriate governance structure to provide the maximum benefits to the state.
6. The potential changes to the organizational structure of the information technology department and other state government entities as related to information technology.

SECTION 14. A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:

Information technology responsibilities. The state auditor shall:

1. Conduct information technology compliance reviews, as determined necessary by the information technology committee, by conducting individual agency audits of information technology management, information technology planning, compliance with information technology plans, and compliance with information technology standards and policies and conducting statewide agency audits of compliance with specific information technology standards and policies.
2. Consult with the information technology department on audits of compliance with information technology plans and compliance with information technology standards and policies.
3. Participate in the information technology department's enterprise architecture process for developing information technology standards and policies.
4. Monitor major information technology projects for compliance with project management and information technology standards and policies.
5. Present results of information technology compliance reviews to the information technology committee and the information technology department's enterprise architecture committee.

SECTION 15. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Information technology committee - Information technology reviews.

The information technology committee may request the state auditor to conduct an information technology compliance review. The review may consist of an audit of an agency's information technology management, information technology planning, compliance with information technology plans, and compliance with information technology standards and policies or an audit of statewide compliance with specific information technology standards and policies.

SECTION 16. Two new sections to chapter 54-59 of the North Dakota Century Code are created and enacted as follows:

Department shall establish certain standards for agencies - Advisory committee - Exceptions. The department shall appoint an advisory committee consisting of representatives of state agencies for the purposes of prioritizing major computer software projects and establishing policies, standards, and guidelines for executive branch state agencies, departments, and institutions, excluding institutions under control of the state board of higher education and agencies of the judicial and legislative branches with respect to the purchase of computer software and computer systems. The chief information officer shall submit recommendations of the advisory committee regarding major software projects to the information technology committee for consideration by the committee and the drafting of appropriate legislation to implement the recommendations. The judicial and legislative branches shall annually notify the advisory committee on their major computer software projects and priorities. The chief information officer may exempt an agency from the policies, standards, and guidelines established by the committee to address situations unique to that agency.

Required use of electronic mail, file and print server administration, data base administration, application server, and hosting services. Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, the public employees retirement system, the retirement and investment office, the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department, shall obtain electronic mail, file and print server administration, data base administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

SECTION 17. AMENDMENT. Section 54-59-02 of the North Dakota Century Code is amended and reenacted as follows:

54-59-02. Information technology department - Responsibility - Public policy. The information technology department is established with the responsibility for all wide area network services planning, selection, and implementation for all state agencies, including institutions under the control of the board of higher education, counties, cities, and school districts in this state. With respect to a county, city, or school district, wide area network services are those services necessary to transmit voice, data, or video outside the county, city, or school district. In exercising its powers and duties, the department is responsible for computer support services, host software development, statewide communications services, standards for providing information to other state agencies and the public through the internet, technology planning, process redesign, and quality assurance. The department may not exercise its powers and duties in a manner that competes or otherwise interferes with the provision of telecommunications services to private, charitable, or nonprofit entities by privately or cooperatively owned telecommunications companies.

SECTION 18. A new subsection to section 54-59-05 of the North Dakota Century Code is created and enacted as follows:

May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003. The department shall file with the state auditor before September 1, 2003, a description of the wide area network service the department provided to each private, charitable, and nonprofit entity receiving services from the department on January 1, 2003.

SECTION 19. AMENDMENT. Section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

54-59-05. Powers and duties of department. The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment or software or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of three years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the budget section of the legislative council before executing a financing agreement. If the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed the amount appropriated to the department during that biennium for equipment.
5. Each executive branch agency or institution, ~~except~~ excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall

review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.

- 5- 6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
- 6- 7. ~~May~~ Shall request information on or review information technology, applications, system development projects, and application development projects of executive branch agencies.
- 7- 8. Shall study emerging technology and evaluate its impact on the state's system of information technology.
- 8- 9. Shall develop guidelines for reports to be provided by each executive branch agency, institution, or department, the institutions under the control of the board of higher education, and agencies of the judicial and legislative branches on information technology in those entities.
- 9- 10. Shall review the information technology management of executive branch agencies or institutions; ~~including institutions under the control of the board of higher education as provided in section 54-59-13.~~
- 10- 11. Shall perform all other duties necessary to carry out this chapter.

SECTION 20. AMENDMENT. Section 54-59-09 of the North Dakota Century Code is amended and reenacted as follows:

54-59-09. Information technology standards. Based on information from state agencies and institutions, the department and the office of management and budget shall develop statewide information technology policies, standards, and guidelines. The policies, standards, and guidelines must recognize the uniqueness of certain agencies and state which agencies are included or exempted from the policies, standards, and guidelines. The policies, standards, and guidelines must be reviewed by the state information technology advisory committee. Unless an exemption is granted by the ~~department~~ department chief information officer, each executive branch state agency and institution, excluding the institutions under the control of the board of higher education with respect to academic and research uses of information technology, shall comply with the policies and standards developed by the department and the office of management and budget. Unless an exemption is granted by the ~~department~~ department chief information officer, each entity receiving wide area network services provided by the department shall comply with the policies and standards developed by the department with respect to access to or use of wide area network services.

SECTION 21. REPEAL. Section 54-59-13 of the North Dakota Century Code is repealed.

SECTION 22. EFFECTIVE DATE. The enterprise resource planning system line item in section 1 of this Act and sections 4, 5, and 13 become effective May 16, 2003, and the remainder of the Act becomes effective on July 1, 2003.

Approved May 13, 2003

Filed May 13, 2003

CHAPTER 666**HOUSE BILL NO. 1506**

(Representative Berg)

(Senator Stenehjem)

(Approved by the Delayed Bills Committee)

**DEPARTMENT OF CORRECTIONS AND
REHABILITATION**

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Field services	\$20,922,058
Prisons division	69,254,582
Juvenile community services	9,629,163
Youth correctional center	<u>11,577,679</u>
Total all funds	\$111,383,482
Less estimated income	<u>29,646,871</u>
Total general fund appropriation	\$81,736,611

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

SECTION 3. CRIME VICTIMS RESTITUTION AND GIFT FUND. The sum of \$100,000, or so much of the sum as may be necessary, included in the field services line item in section 1 of this Act, is from the crime victims restitution and gift fund and shall be used by the department of corrections and rehabilitation for the purposes provided in section 54-23.4-05, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. STATE PENITENTIARY LAND FUND. The sum of \$82,500, or so much of the sum as may be necessary, included in the youth correctional center line item in section 1 of this Act, is from the state penitentiary land fund and shall be used by the department of corrections and rehabilitation for capital projects at the youth correctional center, for the biennium beginning July 1, 2003, and ending June 30, 2005.

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

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

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

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

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

Female inmates in grade one correctional facilities. Notwithstanding section 12-44.1-06, a grade one correctional facility that has a contract with the

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

SECTION 10. EFFECTIVE DATE. Except as provided in section 12 of this Act, this Act becomes effective on July 1, 2003.

SECTION 11. EXPIRATION DATE. Section 9 of this Act is effective through June 30, 2005, and after that date is ineffective.

SECTION 12. EMERGENCY. The sum of \$178,000 for capital construction projects included in the youth correctional center line item in section 1 of this Act and section 2 of this Act are declared to be an emergency measure.

Approved May 13, 2003
Filed May 13, 2003