

JOURNAL OF THE SENATE

Sixty-third Legislative Assembly

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Bismarck, May 1, 2013

The Senate convened at 8:00 a.m., with President Wrigley presiding.

The prayer was offered by Pastor Bob Thune, First Evangelical Free Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BOWMAN MOVED that the conference committee report on Engrossed SB 2020 as printed on SJ pages 1771-1773 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2020, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2020: 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 for transfers; to provide an exemption; to provide for a state water commission study; to provide for a legislative management report; to amend and reenact subsection 6 of section 4-05.1-19 of the North Dakota Century Code, relating to the duties of the state board of agricultural research and education; 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: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2020 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CARLISLE MOVED that the conference committee report on Engrossed SB 2014 as printed on SJ pages 1965-1971 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2014, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2014: 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 legislative intent; to provide an appropriation; to provide a continuing appropriation; to provide a contingent appropriation; to authorize transfers; to create and enact a new section to chapter 6-09.15, a new subsection to section 6-09.15-01, a new section to chapter 54-45.5, and a new subsection to section 57-35.3-05 of the North Dakota Century Code, relating to a loan guarantee for child care facilities, housing incentive fund tax credits, and the energy conservation fund; to amend and reenact subsection 1 of section 6-09.15-01, subsection 2 of section 54-17-40, subsection 1 of section 54-17.6-05, subsection 17

of section 54-44.3-20, and sections 57-38-01.32, 57-51.1-07, and 57-51.1-07.3 of the North Dakota Century Code, relating to the beginning entrepreneur loan guarantee program, the resources trust fund, the oil and gas research council membership, the oil and gas research fund, the housing incentive fund, housing incentive fund credits, and classified employees; to provide for a value-added market opportunities for renewable energy resources and oil and gas study; to provide for a report to the legislative management; to provide an effective date; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2014 passed.

MOTION

SEN. KLEIN MOVED that SB 2171 be moved to the bottom of the calendar, which motion prevailed.

MOTION

SEN. KLEIN MOVED that HB 1018 be moved to the bottom of the Seventh order, which motion prevailed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CARLISLE MOVED that the conference committee report on Engrossed HB 1008 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1008, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1008: A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 64-02-10 of the North Dakota Century Code, relating to the salary of public service commissioners and fees to test or calibrate weighing and measuring devices; to provide for legislative management studies; to authorize a transfer; to provide a statement of legislative intent; 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: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1008, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. J. LEE MOVED that the conference committee report on Engrossed HB 1038 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1038, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1038: A BILL for an Act to provide for the establishment of an autism spectrum disorder database and an autism spectrum disorder voucher program pilot project; to provide for the expansion of the autism spectrum disorder medicaid waiver; to provide for a legislative management study; to provide for reports to the legislative management; to provide an appropriation; and to provide an expiration 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1038, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KREBSBACH MOVED that the conference committee report on Engrossed HB 1018 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1018, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1018: A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society; and to provide for a report to the budget section.

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, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

NAYS: Miller; Schaible

Engrossed HB 1018, as amended, passed.

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 1018, HB 1038.

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 2014, SB 2020.

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 1008.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and

subsequently passed: HB 1258.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2004, SB 2015, SB 2187.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1029.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2004, SB 2015, SB 2187.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2018, SB 2205.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1422.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: SB 2001, SB 2019, SB 2242.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: SB 2018, SB 2205.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1001, HB 1020, HB 1261.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1422.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1001, HB 1020, HB 1261.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on May 1, 2013: SB 2001, SB 2019, SB 2242.

REPORT OF CONFERENCE COMMITTEE

HB 1258: Your conference committee (Sens. Flakoll, Poolman, Heckaman and Reps. Dosch, Skarphol, Williams) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1813-1815, adopt amendments as follows, and place HB 1258 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1813-1815 of the House Journal and pages 1595-1597 of the Senate Journal and that House Bill No. 1258 be amended as follows:

Page 1, line 1, after "15.1-21-02.5" insert "and subsection 7 of 15.1-21-02.6"

Page 2, replace lines 6 through 14 with:

6. a. Completed two units of:
 - (1) ~~Two units of the~~The same foreign or native American language;
 - (2) The same native American language;
 - (3) American sign language; or
 - (4) Career and technical education from a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and

- b. One unit selected from:
 - (1) Foreign languages;
 - (2) Native American languages;
 - (3) American sign language;
 - (4) Fine arts; or
 - (5) Career and technical education;"

Page 2, after line 29, insert:

"SECTION 2. AMENDMENT. Subsection 7 of section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

- 7. a. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.
- b.
 - (1) If a student requires fewer than fifteen credits to graduate, the student may retain scholarship eligibility by enrolling in fewer than fifteen but at least twelve credits during the semester, or the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.
 - (2) Students who graduated from high school during the 2009-10 or the 2010-11 school year and who have completed six semesters may retain scholarship eligibility by enrolling in only twelve credits during each of the student's final two semesters, or the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.
 - (3) The requirement that a student be enrolled in at least fifteen credits, as set forth in subdivision a, does not apply in the case of a student participating in a clinical, practicum, internship, cooperative program, or similar external experience, provided the external experience is equivalent to at least twelve units, or such similar amount as determined by the state board of higher education, with respect to students in a quarter system, and considered to be a "full time" placement for purposes of meeting graduation requirements."

Renumber accordingly

HB 1258 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1029, as engrossed: Your conference committee (Sens. Cook, Campbell, Dotzenrod and Reps. Owens, Dockter, Haak) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1515-1516, adopt amendments as follows, and place HB 1029 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1515 and 1516 of the House Journal and page 1099 of the Senate Journal and that Engrossed House Bill No. 1029 be amended as follows:

Page 1, line 5, after the semicolon insert "to provide a report to the budget section;"

Page 2, line 4, after "**appropriation**" insert "**- Report to budget section**"

Page 2, line 5, remove "in an amount not to exceed twenty million dollars"

Page 2, line 13, remove "A portion"

Page 2, line 13, overstrike "of the fund"

Page 2, line 13, remove "as determined by the housing"

Page 2, line 14, remove "finance agency in the annual allocation plan"

Page 2, line 14, overstrike "must be used to benefit"

Page 2, line 15, remove "individuals and families of"

Page 2, line 16, remove "low or moderate"

Page 2, line 16, overstrike "income."

Page 2, after line 17, insert:

"The annual allocation plan must give first priority through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.

The second priority in the annual allocation plan must be to provide housing for individuals and families of low or moderate income. For purposes of this second priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this second priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.

The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers. The housing finance agency shall report quarterly to the budget section of the legislative management on the progress being made to reduce the overall number of units owned, master leased, or subsidized by these entities. This report must include a listing of projects approved and number of units within those projects that provide housing for essential service workers."

Renumber accordingly

Engrossed HB 1029 was placed on the Seventh order of business on the calendar.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

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

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Andrist, Chairman)** recommends that the Journal of the Seventy-sixth and Seventy-seventh Days be corrected as follows and when so corrected, recommends that it

be approved:

Page 1884, delete lines 37-40

Page 1887, delete lines 24-25

Page 1887, delete line 29

Page 1888, after line 39, insert "Sen. Wardner"

Page 1889, after line 4, insert "Sen. Schneider"

Page 1905, line 30, replace "1734-1737" with "1890-1894"

Page 1934, line 37, remove "Education"

Page 1936, after line 20, insert:

"REPORT OF CONFERENCE COMMITTEE

HB 1422, as engrossed: Your conference committee (Sens. Anderson, J. Lee, Axness and Reps. Weisz, Streytle, Oversen) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1687, adopt amendments as follows, and place HB 1422 on the Seventh order:

That the Senate recede from its amendments as printed on page 1687 of the House Journal and page 1413 and 1414 of the Senate Journal and that Engrossed House Bill No. 1422 be amended as follows:

Page 1, line 4, remove "and"

Page 1, line 5, replace "to the department of human services for a child care stabilization initiative" with "; to provide a contingent appropriation; to provide legislative intent; to provide a report to the legislative management; to provide for application; and to provide an expiration date"

Page 1, line 13, remove "provided by an employer for the children"

Page 1, line 14, replace "of employees which is not open to the public" with "services that are located in the actual building in which the child's parent is employed, not to exceed ten children per location"

Page 1, line 18, replace "The" with "If a facility licensed under this chapter has sufficient indoor recreation space, the"

Page 1, line 18, remove "the recreation areas used by children in a facility licensed"

Page 1, line 19, replace "under this chapter to be indoors" with "outdoor play space"

Page 2, replace lines 1 through 24 with:

"Staffing requirements.

The maximum group size of children in a child care center must be:

1. For children less than eighteen months of age, the maximum group size is ten children;
2. For children eighteen months of age to thirty-six months of age, the maximum group size is fifteen children;
3. For children three years of age to four years of age, the maximum group size is twenty children;
4. For children four years of age to five years of age, the maximum group size is twenty-five children;
5. For children five years of age to six years of age, the maximum group size is thirty children; and
6. For children six years of age to twelve years of age, the maximum group size is forty children."

Page 2, remove lines 25 through 31

Page 3, replace lines 1 and 2 with:

"SECTION 5. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing child care provider incentive grants pursuant to section 50-11.1-14.1, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the sum as may be necessary, to the department of human services for the purpose of funding early childhood services specialists pursuant to section 50-11.1-18, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 7. CONTINGENT APPROPRIATION. If the changes in the eligibility and copay

requirements for the child care assistance program as contained in section 8 of this Act require more funding than the amounts appropriated to the department of human services in House Bill No. 1012, as approved by the sixty-third legislative assembly, for the child care assistance program for the 2013-15 biennium, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,500,000, or so much of the sum as may be necessary, to the department of human services for the purpose of implementing the changes contained in section 8 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. If the changes in section 8 of this Act can be implemented within the child care assistance program appropriation appropriated to the department of human services in House Bill No. 1012, as approved by the sixty-third legislative assembly, for the child care assistance program for the 2013-15 biennium, or requires less than the \$2,500,000 provided in this section, up to \$1,000,000 of the \$2,500,000 appropriated in this section may be used by the department of human services to provide child care provider incentive grants pursuant to section 50-11.1-14.1.

SECTION 8. LEGISLATIVE INTENT - CHILD CARE ASSISTANCE PROGRAM - REPORT TO THE LEGISLATIVE MANAGEMENT. It is the intent of the legislative assembly that the department of human services change the eligibility requirement for the child care assistance program from fifty percent of the state median income to eighty-five percent of the state median income. Beginning July 1, 2014, if the funding appropriated to the department of human services in House Bill No. 1012, as approved by the sixty-third legislative assembly, and in section 7 of this Act for the child care assistance program is sufficient, the department of human services may reduce copay requirements for the child care assistance program. The department of human services shall report the impact of these changes to the legislative management.

SECTION 9. APPLICATION. Section 4 of this Act does not apply to a child care center operator who has maintained a license since before January 1, 1999.

SECTION 10. EXPIRATION DATE. Sections 4 and 9 of this Act are effective until the date the administrative rules containing the requirements of section 4 of this Act on maximum group size of children in a child care center take effect. The department of human services shall certify to the legislative council the date those rules will take effect, and as of that date sections 4 and 9 of this Act become ineffective."

Renumber accordingly

Engrossed HB 1422 was placed on the Seventh order of business on the calendar. "

SEN. ANDRIST MOVED that the report be adopted, which motion prevailed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. MILLER MOVED that the conference committee report on Engrossed SB 2171 as printed on SJ pages 1954-1955 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2171, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2171: A BILL for an Act to amend and reenact subsection 1 of section 57-02-08.1 of the North Dakota Century Code, relating to the homestead property tax credit; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2171 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. COOK MOVED that the conference committee report on Engrossed HB 1029 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1029, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1029: A BILL for an Act to create and enact a new subsection to section 57-35.3-05 of the North Dakota Century Code, relating to a tax credit for contributions to the housing incentive fund; to amend and reenact subsection 3 of section 54-17-07.3 and sections 54-17-40, 54-17-41, and 57-38-01.32 of the North Dakota Century Code, relating to a multifamily housing finance program and to the housing incentive fund and tax credits; to provide a report to the budget section; to provide a continuing appropriation; to provide an effective date; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1029, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. FLAKOLL MOVED that the conference committee report on Engrossed HB 1258 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1258, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1258: A BILL for an Act to amend and reenact section 15.1-21-02.5 and subsection 7 of 15.1-21-02.6 of the North Dakota Century Code, relating to eligibility requirements for the North Dakota academic scholarship.

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: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1258, as amended, passed.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. G. Lee, Holmberg, O'Connell and Reps. Brandenburg, Thoreson, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1491-1499, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1491-1499 of the Senate Journal and pages 1558-1566 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 57-43.2-19"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies; to provide an effective date; to provide an expiration date"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

| | | | |
|------------------------|----------------------|--------------------|----------------------|
| "Salaries and wages | \$165,966,396 | \$21,511,189 | \$187,477,585 |
| Accrued leave payments | 0 | 7,280,897 | 7,280,897 |
| Operating expenses | 204,090,250 | 172,631,465 | 376,721,715 |
| Capital assets | 709,079,831 | 560,431,376 | 1,269,511,207 |
| Grants | <u>67,767,407</u> | <u>22,020,623</u> | <u>89,788,030</u> |
| Total all funds | \$1,146,903,884 | \$783,875,550 | \$1,930,779,434 |
| Less estimated income | <u>1,146,903,884</u> | <u>773,875,550</u> | <u>1,920,779,434</u> |
| Total general fund | \$0 | \$10,000,000 | \$10,000,000" |

Page 2, replace lines 13 and 14 with:

| | | |
|--|-------------|----|
| "County and township road reconstruction program | 142,000,000 | 0" |
|--|-------------|----|

Page 2, replace lines 20 through 22 with:

| | | |
|---------------------|--------------------|--------------------|
| "Total all funds | \$608,000,575 | \$551,600,000 |
| Total special funds | <u>602,150,575</u> | <u>541,600,000</u> |
| Total general fund | \$5,850,000 | \$10,000,000" |

Page 3, remove lines 1 through 29

Page 4, remove lines 1 through 29

Page 5, remove lines 1 through 28

Page 5, line 29, after "**FUND**" insert "**- PILOT PROGRAM**"

Page 6, line 2, after the period insert:

"The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system."

Page 6, remove lines 16 through 31

Page 7, replace lines 1 through 14 with:

"SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNium - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, line 18, replace "\$415,000" with "\$385,000"

Page 7, line 28, after **"ISSUE"** insert **"- BUDGET SECTION APPROVAL"**

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after "The" insert "department of transportation may not use embossed printed license plates for the general license plate issue. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates. The one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, line 12, replace "\$683,600,000" with "\$541,600,000"

Page 9, line 21, replace "plate" with "plates"

Page 9, after line 25, insert:

"SECTION 15. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. Transfer, deposit, and distribution of funds.

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

SECTION 16. AMENDMENT. Section 27 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS. If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys

in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 2014-2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under this section must be used for extraordinary roadway maintenance purposes.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS. During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING. During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS. During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

"SECTION 21. EFFECTIVE DATE - EXPIRATION DATE. Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective."

Page 10, line 5, replace "4, 5, 8, 9, and 10" with "6, 7, and 16"

Page 10, line 5, remove "and funding of"

Page 10, remove lines 6 and 7

Page 10, line 8, remove "item in section 1 of this Act,"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Summary of Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|------------------------------|------------------|-----------------|------------------------------|------------------------------|-----------------|---------------------|
| State Treasurer | | | | | | |
| Total all funds | \$0 | \$10,415,000 | (\$10,030,000) | \$385,000 | \$9,515,000 | (\$9,130,000) |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$10,415,000 | (\$10,030,000) | \$385,000 | \$9,515,000 | (\$9,130,000) |
| DOCR | | | | | | |
| Total all funds | \$0 | \$4,280,000 | \$620,000 | \$4,900,000 | \$4,900,000 | \$0 |
| Less estimated income | 0 | 4,280,000 | 620,000 | 4,900,000 | 4,900,000 | 0 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Department of Transportation | | | | | | |
| Total all funds | \$3,389,303,578 | \$2,804,267,812 | (\$323,968,378) | \$2,480,299,434 | \$2,978,899,082 | (\$498,599,648) |
| Less estimated income | 2,695,703,578 | 2,103,367,812 | (182,588,378) | 1,920,779,434 | 2,079,379,082 | (158,599,648) |
| General fund | \$693,600,000 | \$700,900,000 | (\$141,380,000) | \$559,520,000 | \$899,520,000 | (\$340,000,000) |
| Bill total | | | | | | |
| Total all funds | \$3,389,303,578 | \$2,818,962,812 | (\$333,378,378) | \$2,485,584,434 | \$2,993,314,082 | (\$507,729,648) |
| Less estimated income | 2,695,703,578 | 2,107,647,812 | (181,968,378) | 1,925,679,434 | 2,084,279,082 | (158,599,648) |
| General fund | \$693,600,000 | \$711,315,000 | (\$151,410,000) | \$559,905,000 | \$909,035,000 | (\$349,130,000) |

Senate Bill No. 2012 - State Treasurer - Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------------------|------------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Grants to townships | | \$10,000,000 | (\$10,000,000) | | \$9,100,000 | (\$9,100,000) |
| Township distribution corrections | | 415,000 | (30,000) | 385,000 | 415,000 | (30,000) |
| Total all funds | \$0 | \$10,415,000 | (\$10,030,000) | \$385,000 | \$9,515,000 | (\$9,130,000) |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$10,415,000 | (\$10,030,000) | \$385,000 | \$9,515,000 | (\$9,130,000) |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 120 - State Treasurer - Detail of Conference Committee Changes

| | Removes Funding for Grants to Townships ¹ | Adjusts Funding for Township Distribution Corrections ² | Total Conference Committee Changes |
|-----------------------------------|--|--|------------------------------------|
| Grants to townships | (\$10,000,000) | | (\$10,000,000) |
| Township distribution corrections | | (30,000) | (30,000) |
| Total all funds | (\$10,000,000) | (\$30,000) | (\$10,030,000) |
| Less estimated income | 0 | 0 | 0 |
| General fund | (\$10,000,000) | (\$30,000) | (\$10,030,000) |
| FTE | 0.00 | 0.00 | 0.00 |

¹ Funding of \$10 million added by the Senate for grants to townships in oil-producing counties is removed. The House version reduced the grant funding from \$10 million to \$9.1 million.

² Funding to correct grant distributions to townships made in Senate Bill No. 2176 is reduced by \$30,000 to reflect revised estimates for amounts needed for corrections.

This amendment also amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection. The House also added these sections and provided funding of \$700,000.

Senate Bill No. 2012 - DOCR - Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------|---------------------|-------------------|------------------------------------|------------------------------------|------------------|------------------------|
| License plate issue | | \$4,280,000 | \$620,000 | \$4,900,000 | \$4,900,000 | |
| Total all funds | \$0 | \$4,280,000 | \$620,000 | \$4,900,000 | \$4,900,000 | \$0 |
| Less estimated income | 0 | 4,280,000 | 620,000 | 4,900,000 | 4,900,000 | 0 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 530 - DOCR - Detail of Conference Committee Changes

| | Increases Special Funds Authority for License Plate Issue ¹ | Total Conference Committee Changes |
|-----------------------|--|---|
| License plate issue | \$620,000 | \$620,000 |
| Total all funds | \$620,000 | \$620,000 |
| Less estimated income | 620,000 | 620,000 |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates, the same as the House version.

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--------------------------|---------------------|-------------------|------------------------------------|------------------------------------|------------------|------------------------|
| Salaries and wages | \$198,822,626 | \$198,846,860 | (\$11,369,275) | \$187,477,585 | \$184,577,233 | \$2,900,352 |
| Operating expenses | 456,821,715 | 377,821,715 | (1,100,000) | 376,721,715 | 376,721,715 | |
| Capital assets | 1,810,511,207 | 1,269,511,207 | | 1,269,511,207 | 1,269,511,207 | |
| County and township road | 142,000,000 | 142,000,000 | (142,000,000) | | 190,000,000 | (190,000,000) |

| | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| program | | | | | | |
| Grants | 97,548,030 | 98,188,030 | (8,400,000) | 89,788,030 | 89,288,030 | 500,000 |
| General fund transfer to highway fund | 683,600,000 | 683,600,000 | (142,000,000) | 541,600,000 | 683,600,000 | (142,000,000) |
| Transfer to public transportation fund | | 1,100,000 | | 1,100,000 | 1,100,000 | |
| License plate issue | | 6,200,000 | 620,000 | 6,820,000 | 6,820,000 | |
| County and township bridge program | | 27,000,000 | (27,000,000) | | 20,000,000 | (20,000,000) |
| Non-oil county distributions | | | | | 150,000,000 | (150,000,000) |
| Accrued leave payments | | | 7,280,897 | 7,280,897 | 7,280,897 | |
| Total all funds | \$3,389,303,578 | \$2,804,267,812 | (\$323,968,378) | \$2,480,299,434 | \$2,978,899,082 | (\$498,599,648) |
| Less estimated income | 2,695,703,578 | 2,103,367,812 | (182,588,378) | 1,920,779,434 | 2,079,379,082 | (158,599,648) |
| General fund | \$693,600,000 | \$700,900,000 | (\$141,380,000) | \$559,520,000 | \$899,520,000 | (\$340,000,000) |
| FTE | 1079.50 | 1079.50 | 0.00 | 1079.50 | 1079.50 | 0.00 |

Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

| | Adjusts State Employee Compensation and Benefits Package ¹ | Provides Separate Line Item for Accrued Leave Payments ² | Removes Funding for Employees Affected by Energy Development ³ | Removes Funding for Oil-Impacted Counties Road Program ⁴ | Removes Public Transportation Fund Appropriation Authority ⁵ | Adds Funding for Rail Safety Pilot Program ⁶ |
|--|---|---|---|---|---|---|
| Salaries and wages | (\$1,543,379) | (\$7,280,897) | (\$2,544,999) | | | |
| Operating expenses | | | (1,100,000) | | | |
| Capital assets | | | | | | |
| County and township road program | | | | (142,000,000) | | |
| Grants | | | | | (8,900,000) | 500,000 |
| General fund transfer to highway fund | | | | | | |
| Transfer to public transportation fund | | | | | | |
| License plate issue | | | | | | |
| County and township bridge program | | | | | | |
| Non-oil county distributions | | | | | | |
| Accrued leave payments | | 7,280,897 | | | | |
| Total all funds | (\$1,543,379) | \$0 | (\$3,644,999) | (\$142,000,000) | (\$8,900,000) | \$500,000 |
| Less estimated income | (1,543,379) | 0 | (3,644,999) | (142,000,000) | (8,900,000) | 500,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adjusts General Fund Transfer to Highway Fund ⁷ | Adjusts Funding for License Plate Issue ⁸ | Removes Funding for County and Township Bridge Program ⁹ | Total Conference Committee Changes |
|--|--|--|---|------------------------------------|
| Salaries and wages | | | | (\$11,369,275) |
| Operating expenses | | | | (1,100,000) |
| Capital assets | | | | |
| County and township road program | | | | (142,000,000) |
| Grants | | | | (8,400,000) |
| General fund transfer to highway fund | (142,000,000) | | | (142,000,000) |
| Transfer to public transportation fund | | | | |
| License plate issue | | 620,000 | | 620,000 |
| County and township bridge program | | | (27,000,000) | (27,000,000) |
| Non-oil county distributions | | | | |
| Accrued leave payments | | | | 7,280,897 |
| Total all funds | (\$142,000,000) | \$620,000 | (\$27,000,000) | (\$323,968,378) |
| Less estimated income | 0 | 0 | (27,000,000) | (182,588,378) |
| | (\$142,000,000) | \$620,000 | \$0 | (\$141,380,000) |

| | | | | |
|--------------|------|------|------|------|
| General fund | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

² A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees. The House version also included an accrued leave payments line item.

³ Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed. The House also removed this funding.

⁴ Funding from the general fund for the county and township road reconstruction program in areas impacted by oil and gas development is removed. The House version provided total program funding of \$190 million which was an increase of \$48 million from the executive budget and Senate versions of \$142 million.

⁵ Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

⁶ Grant funding of \$500,000 from the highway-rail grade crossing projects safety fund is added for a highway-rail grade safety pilot program during the 2013-15 biennium. Guidelines are also added for the program.

⁷ The general fund transfer to the state highway fund is reduced by \$142 million to reflect the removal of the county and township road reconstruction program in areas affected by oil and gas development.

⁸ Funding for the general license plate issue is increased by \$620,000 to provide for a general license plate issue to be made on nonembossed license plates. The House also added this funding.

⁹ Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is removed. The Senate added funding of \$27 million for the program and the House reduced funding for the program to \$20 million.

This amendment also:

- Adds a section to deposit \$250,000 of special fuels excise tax funding in the highway-rail grade crossing safety program during each year of the 2013-15 biennium.
- Adds sections to provide for the Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.
- Removes sections that provided program guidelines regarding the oil-producing county and township road reconstruction program and the county and township bridge reconstruction program.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. G. LEE MOVED that the conference committee report on Engrossed SB 2012 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2012, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to amend and reenact sections 39-02-03, 39-04-09, and 57-43.2-19 of the North Dakota Century Code and section 27 of chapter 579 of the 2011 Session Laws, relating to department of transportation motor vehicle branch offices, the issuance of license plates, deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for legislative management studies; to provide an effective date; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2012 passed and the emergency clause was declared carried.

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 2171.

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 1258.

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 1029.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1012.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2298.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2014, SB 2020.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HB 1008, HB 1018, HB 1038.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: SB 2004, SB 2015, SB 2187.

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

MR. SPEAKER: The President has signed: SB 2004, SB 2015, SB 2187.

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

MR. SPEAKER: The President has signed: HB 1008, HB 1018, HB 1038.

REPORT OF CONFERENCE COMMITTEE

SB 2021, as reengrossed: Your conference committee (Sens. Wanzek, G. Lee, Robinson and Reps. Thoreson, Streyle, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1249-1251, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1249-1251 of the Senate Journal and pages 1332-1334 of the House Journal and that Reengrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after "54-59" insert "; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to the budget section"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 4 with:

| | | | |
|--------------------------------------|---------------|---------------|---------------|
| "Salaries and wages | \$47,383,177 | \$4,170,074 | \$51,553,251 |
| Accrued leave payments | 0 | 2,626,084 | 2,626,084 |
| Operating expenses | 69,218,477 | (4,383,834) | 64,834,643 |
| Capital assets | 15,035,666 | (2,535,066) | 12,500,600 |
| Center for distance education | 6,649,238 | (780,847) | 5,868,391 |
| Statewide longitudinal data system | 1,869,243 | 1,511 | 1,870,754 |
| Educational technology council | 1,075,403 | 739,206 | 1,814,609 |
| EduTech | 7,926,447 | 125,647 | 8,052,094 |
| K-12 wide area network | 5,206,992 | (278,815) | 4,928,177 |
| Geographic information system | 1,112,065 | 348,229 | 1,460,294 |
| Health information technology office | 13,959,238 | (9,208,515) | 4,750,723 |
| Criminal justice information sharing | 2,781,394 | 1,087,967 | 3,869,361 |
| Federal stimulus funds | 0 | 6,800,000 | 6,800,000 |
| Total all funds | \$172,217,340 | (\$1,288,359) | \$170,928,981 |
| Less estimated income | 153,165,136 | (3,490,583) | 149,674,553 |
| Total general fund | \$19,052,204 | \$2,202,224 | \$21,254,428 |
| Full-time equivalent positions | 336.30 | 4.00 | 340.30" |

Page 3, after line 11, insert:

"SECTION 6. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:

54-59-15. Acceptance of funds.

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

SECTION 7. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

54-59-22. Required use of electronic mail, file and print server administration, database 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, database 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 8. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
 - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.
 - b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships.
 - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014, and submit any proposed legislation necessary to implement the

consolidation or relocation to the legislative management's information technology committee by July 1, 2014. If the findings of the study indicate that a partial or full consolidation of information technology services or relocation of information technology hardware, are feasible and desirable, the office of management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 budget request.

SECTION 9. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION. Prior to January 1, 2014, the information technology department shall conduct a study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of the support staff, associated costs to the respective agency, use of third-party information technology contractors, and a cost benefit comparison of current state agencies' desktop support self services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the interim information technology committee prior to January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings, recommendations, and any legislation required to implement the recommendations of the study."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2021 - Summary of Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--------------------------------------|---------------------|-------------------|------------------------------------|------------------------------------|------------------|------------------------|
| Office of Management and Budget | | | | | | |
| Total all funds | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| Information Technology Department | | | | | | |
| Total all funds | \$171,053,947 | \$171,677,462 | (\$748,481) | \$170,928,981 | \$169,771,768 | \$1,157,213 |
| Less estimated income | 150,290,886 | 150,311,698 | (637,145) | 149,674,553 | 148,685,136 | 989,417 |
| General fund | \$20,763,061 | \$21,365,764 | (\$111,336) | \$21,254,428 | \$21,086,632 | \$167,796 |
| Bill total | | | | | | |
| Total all funds | \$171,053,947 | \$171,677,462 | (\$548,481) | \$171,128,981 | \$169,771,768 | \$1,357,213 |
| Less estimated income | 150,290,886 | 150,311,698 | (637,145) | 149,674,553 | 148,685,136 | 989,417 |
| General fund | \$20,763,061 | \$21,365,764 | \$88,664 | \$21,454,428 | \$21,086,632 | \$367,796 |

Senate Bill No. 2021 - Office of Management and Budget - Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------|---------------------|-------------------|------------------------------------|------------------------------------|------------------|------------------------|
| Operating expenses | | | \$200,000 | \$200,000 | | \$200,000 |
| Total all funds | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$200,000 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

| | |
|---|----------------------------------|
| Provides Funding for an IT Study ¹ | Total Conference Committee |
|---|----------------------------------|

| | | Changes |
|-----------------------|-----------|-----------|
| Operating expenses | \$200,000 | \$200,000 |
| Total all funds | \$200,000 | \$200,000 |
| Less estimated income | 0 | 0 |
| General fund | \$200,000 | \$200,000 |
| FTE | 0.00 | 0.00 |

¹ This amendment provides an appropriation to the Office of Management and Budget in the amount of \$200,000, all of which is from the general fund, to contract with a private consultant for an information technology study to determine the feasibility and desirability of relocating appropriate information technology equipment and providing agencies full or partial exemptions from consolidation with the Information Technology Department services.

Senate Bill No. 2021 - Information Technology Department - Conference Committee Action

| | Executive Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--------------------------------------|------------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Salaries and wages | \$54,437,801 | \$54,461,316 | (\$2,908,065) | \$51,553,251 | \$49,929,538 | \$1,623,713 |
| Operating expenses | 64,834,643 | 64,834,643 | | 64,834,643 | 64,834,643 | |
| Capital assets | 12,500,600 | 12,500,600 | | 12,500,600 | 12,500,600 | |
| Center for Distance Education | 6,072,187 | 6,072,187 | (203,796) | 5,868,391 | 6,072,187 | (203,796) |
| Statewide Longitudinal Data System | 1,870,754 | 1,870,754 | | 1,870,754 | 1,870,754 | |
| Educational Technology Council | 1,814,609 | 1,814,609 | | 1,814,609 | 1,814,609 | |
| EduTech | 8,279,530 | 8,279,530 | (227,436) | 8,052,094 | 8,279,530 | (227,436) |
| K-12 wide area network | 4,928,177 | 4,928,177 | | 4,928,177 | 4,928,177 | |
| Geographic Information System | 1,460,294 | 1,460,294 | | 1,460,294 | 1,460,294 | |
| Health Information Technology Office | 4,785,991 | 4,785,991 | (35,268) | 4,750,723 | 4,785,991 | (35,268) |
| Criminal Justice Information Sharing | 3,269,361 | 3,869,361 | | 3,869,361 | 3,869,361 | |
| Federal stimulus funds | 6,800,000 | 6,800,000 | | 6,800,000 | 6,800,000 | |
| Accrued leave payments | | | 2,626,084 | 2,626,084 | 2,626,084 | |
| Total all funds | \$171,053,947 | \$171,677,462 | (\$748,481) | \$170,928,981 | \$169,771,768 | \$1,157,213 |
| Less estimated income | 150,290,886 | 150,311,698 | (637,145) | 149,674,553 | 148,685,136 | 989,417 |
| General fund | \$20,763,061 | \$21,365,764 | (\$111,336) | \$21,254,428 | \$21,086,632 | \$167,796 |
| FTE | 340.30 | 340.30 | 0.00 | 340.30 | 340.30 | 0.00 |

Department No. 112 - Information Technology Department - Detail of Conference Committee Changes

| | Adjusts State Employee Compensation and Benefits Package ¹ | Provides Separate Line Item for Accrued Leave Payments ² | Total Conference Committee Changes |
|--------------------------------------|---|---|------------------------------------|
| Salaries and wages | (\$748,481) | (\$2,159,584) | (\$2,908,065) |
| Operating expenses | | | |
| Capital assets | | | |
| Center for Distance Education | | (203,796) | (203,796) |
| Statewide Longitudinal Data System | | | |
| Educational Technology Council | | | |
| EduTech | | (227,436) | (227,436) |
| K-12 wide area network | | | |
| Geographic Information System | | | |
| Health Information Technology Office | | (35,268) | (35,268) |
| Criminal Justice Information Sharing | | | |
| Federal stimulus funds | | | |
| Accrued leave payments | | 2,626,084 | 2,626,084 |
| Total all funds | (\$748,481) | \$0 | (\$748,481) |
| Less estimated income | (637,145) | 0 | (637,145) |
| General fund | (\$111,336) | \$0 | (\$111,336) |
| FTE | 0.00 | 0.00 | 0.00 |

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

² A portion of salaries and wages funding from the general fund (\$373,087) and from other funds (\$2,252,997) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

| Agency Division | General Fund | Special Funds | Total |
|--------------------------------------|--------------|---------------|---------------|
| Salaries and Wages | (\$24,553) | (\$2,135,031) | (\$2,159,584) |
| Center For Distance Education | (202,760) | (1,036) | (203,796) |
| EduTech | (132,181) | (95,255) | (227,436) |
| Health Information Technology Office | (13,593) | (21,675) | (35,268) |
| Accrued Leave Payments | 373,087 | 2,252,997 | 2,626,084 |

This amendment also:

- Amends Section 54-59-15, regarding acceptance of federal or other funds, same version as the House.
- Amends Section 54-59-22, removing selected agency exemptions from the certain services of the Information Technology Department. The House removed exemptions for the Public Employees Retirement System, Attorney General, State Water Commission, and any entity exempted by the Office of Management and Budget.
- Provides for an information technology study.
- Provides for an information technology desktop support study.

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

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Kilzer, Erbele, Mathern and Reps. Pollert, Bellew, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1667-1677, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1667-1677 of the House Journal and pages 1448-1458 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, remove "and personal needs"

Page 1, line 3, remove "allowances"

Page 1, line 3, after "reenact" insert "subdivision f of subsection 2 of section 12-60-24, subsection 3 of section 14-09-09.10, and"

Page 1, line 4, after the first "to" insert "criminal background checks for foster care providers, child support payments, and"

Page 1, line 5, after the semicolon insert "to provide for a report to the legislative management; to provide for legislative management studies"

Page 1, replace lines 17 through 22 with:

| | | | |
|-----------------------|--------------|--------------|---------------|
| "Salaries and wages | \$15,382,133 | \$25,247,062 | \$40,629,195 |
| Operating expenses | 62,229,003 | 8,668,982 | 70,897,985 |
| Capital assets | 138,400 | (126,400) | 12,000 |
| Total all funds | \$77,749,536 | \$33,789,644 | \$111,539,180 |
| Less estimated income | 46,573,712 | 13,024,040 | 59,597,752 |
| Total general fund | \$31,175,824 | \$20,765,604 | \$51,941,428" |

Page 2, replace lines 3 through 9 with:

| | | | |
|-----------------------------|-----------------|---------------|-----------------|
| "Salaries and wages | \$50,207,605 | (\$1,365,487) | \$48,842,118 |
| Operating expenses | 91,973,280 | 14,740,749 | 106,714,029 |
| Grants | 490,196,862 | (36,122,732) | 454,074,130 |
| Grants - medical assistance | 1,601,650,984 | 148,872,688 | 1,750,523,672 |
| Total all funds | \$2,234,028,731 | \$126,125,218 | \$2,360,153,949 |
| Less estimated income | 1,497,456,325 | (70,714,334) | 1,426,741,991 |
| Total general fund | \$736,572,406 | \$196,839,552 | \$933,411,958" |

Page 2, replace lines 11 through 29 with:

| | Base Level | Adjustments or Enhancements | Appropriation |
|-----------------------|---------------|-----------------------------|----------------|
| Human service centers | \$163,188,026 | \$11,469,662 | \$174,657,688 |
| Institutions | 123,232,447 | 2,667,659 | 125,900,106 |
| Total all funds | \$286,420,473 | \$14,137,321 | \$300,557,794 |
| Less estimated income | 126,939,489 | (4,554,629) | 122,384,860 |
| Total general fund | \$159,480,984 | \$18,691,950 | \$178,172,934" |

Page 3, replace lines 3 through 6 with:

| | | | |
|--------------------------------|-----------------|---------------|-----------------|
| "Grand total general fund | \$927,229,214 | \$237,540,188 | \$1,164,769,402 |
| Grand total special funds | 1,670,969,526 | 97,104,398 | 1,768,073,924 |
| Grand total all funds | \$2,598,198,740 | \$334,644,586 | \$2,932,843,326 |
| Full-time equivalent positions | 2,197.35 | 2.73 | 2,200.08" |

Page 3, replace lines 15 and 16 with:

| | | |
|----------------------------------|-----------|----------|
| "State hospital capital projects | 1,800,000 | 864,714 |
| Grants | 0 | 925,000" |

Page 3, replace lines 24 through 26 with:

| | | |
|-----------------------|--------------|--------------|
| "Total all funds | \$50,349,515 | \$2,819,714 |
| Less estimated income | 36,602,712 | 1,086,093 |
| Total general fund | \$13,746,803 | \$1,733,621" |

Page 4, after line 21, insert:

"SECTION 7. AMENDMENT. Subdivision f of subsection 2 of section 12-60-24 of the North Dakota Century Code is amended and reenacted as follows:

- f. The department of human services for foster care licenses and approvals under chapter 50-11, appointments of legal guardians under chapter 50-11.3, and petitions for adoptions under chapter 50-12, except that the criminal history record investigation must be conducted in accordance with those chapters. A criminal history record investigation completed under chapter 50-11, 50-11.3, or

50-12 may be used to satisfy the requirements of a criminal history record investigation under either of the other two chapters.

SECTION 8. AMENDMENT. Subsection 3 of section 14-09-09.10 of the North Dakota Century Code is amended and reenacted as follows:

3. "Child support" means payments for the support of ~~children~~ a child, including payments for health insurance coverage or other medical support, and ~~combined~~ payments for the support of ~~children and~~ spouses or former spouses with whom the child is living as long as the spousal support payment is owed to the spouse or former spouse under the same order as the payments for the child, however denominated; if the payment is required by the order of a court or other governmental agency having authority to issue such orders, and includes past-due support."

Page 5, remove lines 22 through 29

Page 6, line 5, replace "\$150,000" with "\$300,000"

Page 6, line 8, replace "2011" with "2012"

Page 6, line 10, after the period insert "No more than fifty percent of this appropriation may be distributed in each fiscal year of the biennium."

Page 6, line 11, replace "**GRANTS**" with "**GRANT**"

Page 6, line 13, replace "grants" with "a grant"

Page 6, line 13, after "program" insert "affiliated with a winter park that is located in a county of less than 10,000 individuals"

Page 6, line 16, after "program" insert ". The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section"

Page 6, after line 23, insert:

"SECTION 15. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA HEALTH CARE. During the 2013-14 interim, the legislative management shall consider studying the immediate needs and challenges of the North Dakota health care delivery system, implementing the healthy North Dakota initiative, examining Medicaid reform, and the feasibility of developing a plan for a private health care model that will comply with federal health care reform in a manner that will provide high-quality, accessible, and affordable care for North Dakota citizens. In performing the study, the legislative management may consider population shifts, facility needs, personnel needs, rural access, regulatory public health functions, and vulnerable populations; determine the scope of the weakness in the current health care system; take into account the ongoing impact that federal health care reform under the federal Affordable Care Act is having on state delivery of health care and on state delivery of Medicaid; and consider how to forge partnerships with federal payers and regulators in order to work toward addressing medical reimbursement system reform. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 16. LEGISLATIVE MANAGEMENT STUDY OF THE NEED FOR A COMPREHENSIVE SYSTEM OF CARE FOR INDIVIDUALS WITH BRAIN INJURY. During the 2013-14 interim, the legislative management shall consider studying the need for a comprehensive system of care for individuals with brain injury, including services available to veterans who are returning from wars, the impact of the inclusion of all acquired brain injury on traumatic brain injury programs, the need for a statewide registry for brain injury, the need for increased awareness of the impact of brain injury, the need for screening for brain injury in the education system, the availability of community support systems, the availability of specialized substance abuse services, the examination of the long-term care needs, the availability of home and community-based services, services available from

independent living centers, the need for transitional supportive housing, and the suitability of the current level of care determination for brain injury. Consideration should be given to input from the department of human services traumatic brain injury advisory committee and stakeholders from the private and public sectors, including individuals with brain injury, families impacted by brain injury, educators, treatment providers, and service providers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 17. REPORT TO LEGISLATIVE MANAGEMENT - TRANSITIONAL LIVING FACILITY. Subdivision 3 of section 1 of this Act includes funding of \$547,000 from the general fund and \$182,000 from other funds for an eight-unit transitional living facility in the southeast human service center region. The department of human services shall provide a report to the budget section in December 2014 on the status of the facility."

Page 6, after line 30, insert:

"SECTION 19. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.

The removal of the full-time equivalent position in the administration and support division does not preclude the department of human services from employing a deputy director. The department may use an existing full-time equivalent position for the purpose of a deputy director position.

SECTION 20. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.

Because the electronic health records system is needed for the state hospital to maintain accreditation, the reduction of the funding in the information technology division does not preclude the department of human services from procuring an electronic health records system if the department can initiate the project within its 2013-15 biennium appropriation for the information technology division or field services division.

SECTION 21. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,243,082, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$159,349,321, or so much of the sum as may be necessary, to the department of human services for the purpose of funding the following initiatives, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services is authorized four full-time equivalent positions.

| | |
|---|--------------------|
| Expedited ratesetting process | \$1,661,844 |
| Recipient liability first claim | 100,000 |
| Supplemental nutrition assistance and temporary assistance for needy families program changes | 500,304 |
| Electronic prescriptions | 299,324 |
| Medical assistance program expansion | 157,991,337 |
| Committee on employment of people with disabilities | <u>39,594</u> |
| Total all funds | \$160,592,403 |
| Less estimated income | <u>159,349,321</u> |
| Total general fund appropriation | \$1,243,082" |

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------------|------------------|---------------|------------------------------|------------------------------|--------------------|----------------------|
| Department of Human Services | | | | | | |
| Total all funds | \$0 | \$0 | \$160,592,403 | \$160,592,403 | \$162,938,403 | (\$2,346,000) |
| Less estimated income | 0 | 0 | <u>159,349,321</u> | <u>159,349,321</u> | <u>160,449,321</u> | (1,100,000) |
| General fund | \$0 | \$0 | \$1,243,082 | \$1,243,082 | \$2,489,082 | (\$1,246,000) |
| DHS - Management | | | | | | |

| | | | | | | |
|----------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| Total all funds | \$124,062,199 | \$101,503,888 | \$10,035,292 | \$111,539,180 | \$114,806,865 | (\$3,267,685) |
| Less estimated income | 61,473,447 | 56,933,812 | 2,663,940 | 59,597,752 | 60,996,450 | (1,398,698) |
| General fund | \$62,588,752 | \$44,570,076 | \$7,371,352 | \$51,941,428 | \$53,810,415 | (\$1,868,987) |
| DHS - Program/Policy | | | | | | |
| Total all funds | \$2,364,284,108 | \$2,345,457,354 | \$14,696,595 | \$2,360,153,949 | \$2,379,592,187 | (\$19,438,238) |
| Less estimated income | 1,429,648,423 | 1,421,403,389 | 5,338,602 | 1,426,741,991 | 1,435,980,554 | (9,238,563) |
| General fund | \$934,635,685 | \$924,053,965 | \$9,357,993 | \$933,411,958 | \$943,611,633 | (\$10,199,675) |
| DHS - State Hospital | | | | | | |
| Total all funds | \$73,489,636 | \$73,064,636 | (\$73,064,636) | \$0 | \$0 | \$0 |
| Less estimated income | 19,254,163 | 19,254,163 | (19,254,163) | 0 | 0 | 0 |
| General fund | \$54,235,473 | \$53,810,473 | (\$53,810,473) | \$0 | \$0 | \$0 |
| DHS - Developmental Center | | | | | | |
| Total all funds | \$53,050,470 | \$52,760,470 | (\$52,760,470) | \$0 | \$0 | \$0 |
| Less estimated income | 28,064,218 | 28,064,218 | (28,064,218) | 0 | 0 | 0 |
| General fund | \$24,986,252 | \$24,696,252 | (\$24,696,252) | \$0 | \$0 | \$0 |
| DHS - Statewide HSC | | | | | | |
| Total all funds | \$6,069,755 | \$5,069,755 | (\$5,069,755) | \$0 | \$0 | \$0 |
| Less estimated income | 1,075,139 | 675,139 | (675,139) | 0 | 0 | 0 |
| General fund | \$4,994,616 | \$4,394,616 | (\$4,394,616) | \$0 | \$0 | \$0 |
| DHS - Northwest HSC | | | | | | |
| Total all funds | \$8,958,191 | \$8,918,191 | (\$8,918,191) | \$0 | \$0 | \$0 |
| Less estimated income | 3,564,800 | 3,564,800 | (3,564,800) | 0 | 0 | 0 |
| General fund | \$5,393,391 | \$5,353,391 | (\$5,353,391) | \$0 | \$0 | \$0 |
| DHS - North Central HSC | | | | | | |
| Total all funds | \$21,989,171 | \$21,949,171 | (\$21,949,171) | \$0 | \$0 | \$0 |
| Less estimated income | 9,185,305 | 9,185,305 | (9,185,305) | 0 | 0 | 0 |
| General fund | \$12,803,866 | \$12,763,866 | (\$12,763,866) | \$0 | \$0 | \$0 |
| DHS - Lake Region HSC | | | | | | |
| Total all funds | \$12,736,133 | \$12,696,133 | (\$12,696,133) | \$0 | \$0 | \$0 |
| Less estimated income | 5,162,347 | 5,162,347 | (5,162,347) | 0 | 0 | 0 |
| General fund | \$7,573,786 | \$7,533,786 | (\$7,533,786) | \$0 | \$0 | \$0 |
| DHS - Northeast HSC | | | | | | |
| Total all funds | \$27,882,775 | \$27,842,775 | (\$27,842,775) | \$0 | \$0 | \$0 |
| Less estimated income | 14,138,342 | 14,138,342 | (14,138,342) | 0 | 0 | 0 |
| General fund | \$13,744,433 | \$13,704,433 | (\$13,704,433) | \$0 | \$0 | \$0 |
| DHS - Southeast HSC | | | | | | |
| Total all funds | \$39,030,472 | \$37,690,472 | (\$37,690,472) | \$0 | \$0 | \$0 |
| Less estimated income | 15,682,226 | 15,357,226 | (15,357,226) | 0 | 0 | 0 |
| General fund | \$23,348,246 | \$22,333,246 | (\$22,333,246) | \$0 | \$0 | \$0 |
| DHS - South Central HSC | | | | | | |
| Total all funds | \$16,793,883 | \$16,753,883 | (\$16,753,883) | \$0 | \$0 | \$0 |
| Less estimated income | 7,813,290 | 7,813,290 | (7,813,290) | 0 | 0 | 0 |
| General fund | \$8,980,593 | \$8,940,593 | (\$8,940,593) | \$0 | \$0 | \$0 |
| DHS - West Central HSC | | | | | | |
| Total all funds | \$29,826,746 | \$29,462,590 | (\$29,462,590) | \$0 | \$0 | \$0 |
| Less estimated income | 13,268,982 | 13,268,982 | (13,268,982) | 0 | 0 | 0 |
| General fund | \$16,557,764 | \$16,193,608 | (\$16,193,608) | \$0 | \$0 | \$0 |
| DHS - Badlands HSC | | | | | | |
| Total all funds | \$12,345,718 | \$12,305,718 | (\$12,305,718) | \$0 | \$0 | \$0 |
| Less estimated income | 5,319,048 | 5,319,048 | (5,319,048) | 0 | 0 | 0 |
| General fund | \$7,026,670 | \$6,986,670 | (\$6,986,670) | \$0 | \$0 | \$0 |
| DHS - Field Services | | | | | | |
| Total all funds | \$0 | \$0 | \$300,557,794 | \$300,557,794 | \$300,128,794 | \$429,000 |
| Less estimated income | 0 | 0 | 122,384,860 | 122,384,860 | 122,127,860 | 257,000 |
| General fund | \$0 | \$0 | \$178,172,934 | \$178,172,934 | \$178,000,934 | \$172,000 |
| Department of Commerce | | | | | | |
| Total all funds | \$0 | \$0 | \$0 | \$0 | \$250,000 | (\$250,000) |
| Less estimated income | 0 | 0 | 0 | 0 | 150,000 | (150,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$100,000 | (\$100,000) |
| Bill total | | | | | | |
| Total all funds | \$2,790,519,257 | \$2,745,475,036 | \$187,368,290 | \$2,932,843,326 | \$2,957,716,249 | (\$24,872,923) |
| Less estimated income | 1,613,649,730 | 1,600,140,061 | 167,933,863 | 1,768,073,924 | 1,779,704,185 | (11,630,261) |
| General fund | \$1,176,869,527 | \$1,145,334,975 | \$19,434,427 | \$1,164,769,402 | \$1,178,012,064 | (\$13,242,662) |

House Bill No. 1012 - Department of Human Services - Conference Committee Action

| Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|
|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|

| | | | | | | |
|------------------------------|------|------|---------------|---------------|---------------|---------------|
| Department of Human Services | | | \$160,592,403 | \$160,592,403 | \$162,938,403 | (\$2,346,000) |
| Total all funds | \$0 | \$0 | \$160,592,403 | \$160,592,403 | \$162,938,403 | (\$2,346,000) |
| Less estimated income | 0 | 0 | 159,349,321 | 159,349,321 | 160,449,321 | (1,100,000) |
| General fund | \$0 | \$0 | \$1,243,082 | \$1,243,082 | \$2,489,082 | (\$1,246,000) |
| FTE | 0.00 | 0.00 | 4.00 | 4.00 | 4.00 | 0.00 |

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

| | Adds Funding for Approved Initiatives ¹ | Total Conference Committee Changes |
|------------------------------|--|---|
| Department of Human Services | \$160,592,403 | \$160,592,403 |
| Total all funds | \$160,592,403 | \$160,592,403 |
| Less estimated income | 159,349,321 | 159,349,321 |
| General fund | \$1,243,082 | \$1,243,082 |
| FTE | 4.00 | 4.00 |

¹ Funding is added for six initiatives approved by the Legislative Assembly in other bills, the same as the Senate version. The department is authorized 4 FTE positions relating to this funding.

A section is added to provide an appropriation to the department for bills approved by the 63rd Legislative Assembly which have a fiscal impact but did not include appropriations, the same as the Senate version.

Funding added by the Senate in floor amendments relating to operating expenses and the Robinson Recovery Center are now reflected under the program and policy and field services subdivisions.

House Bill No. 1012 - DHS - Management - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes ¹ | Conference Committee Version | Senate Version | Comparison to Senate |
|-----------------------|---------------------|------------------|---|------------------------------------|-------------------|-------------------------|
| Salaries and wages | \$51,102,214 | \$34,293,903 | \$6,335,292 | \$40,629,195 | \$47,346,880 | (\$6,717,685) |
| Operating expenses | 72,743,825 | 67,197,985 | 3,700,000 | 70,897,985 | 67,447,985 | 3,450,000 |
| Capital assets | 216,160 | 12,000 | | 12,000 | 12,000 | |
| Total all funds | \$124,062,199 | \$101,503,888 | \$10,035,292 | \$111,539,180 | \$114,806,865 | (\$3,267,685) |
| Less estimated income | 61,473,447 | 56,933,812 | 2,663,940 | 59,597,752 | 60,996,450 | (1,398,698) |
| General fund | \$62,588,752 | \$44,570,076 | \$7,371,352 | \$51,941,428 | \$53,810,415 | (\$1,868,987) |
| FTE | 148.10 | 147.10 | 0.00 | 147.10 | 147.10 | 0.00 |

| MANAGEMENT SUBDIVISION | FTE | General Fund | Estimated Income | Total |
|--|-----|-----------------|---------------------|---------------|
| ¹ Management - Proposed Conference Committee changes: | | | | |
| Administration - Support | | | | |
| Removes compensation adjustments made by the House | | \$8,990,339 | \$4,062,638 | \$13,052,977 |
| Adjusts state employee compensation and benefits package | | (4,618,987) | (\$2,098,698) | (\$6,717,685) |
| Funding from the general fund removed by the House for central office operating expenses is partially restored. The House removed \$750,000 from the general fund and the Senate version restored \$1.45 million of which \$750,000 was from the general fund. | | \$500,000 | \$700,000 | \$1,200,000 |

Information Technology Services

Restores \$2.5 million of the \$5 million removed by the House for the field services electronic health records system replacement. The Senate version did not include funding for this project.

2,500,000

\$2,500,000

Total Conference Committee changes - Management

0.00

\$7,371,352

\$2,663,940

\$10,035,292

House Bill No. 1012 - DHS - Program/Policy - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes¹ | Conference Committee Version | Senate Version | Comparison to Senate |
|-----------------------------|-----------------------------|--------------------------|---|---|---------------------------|---------------------------------|
| Salaries and wages | \$48,842,118 | \$48,842,118 | | \$48,842,118 | \$48,842,118 | |
| Operating expenses | 106,543,180 | 104,546,029 | 2,168,000 | 106,714,029 | 106,880,029 | (166,000) |
| Grants | 453,774,130 | 453,874,130 | 200,000 | 454,074,130 | 454,374,130 | (300,000) |
| Grants - Medical assistance | 1,755,124,680 | 1,738,195,077 | 12,328,595 | 1,750,523,672 | 1,769,495,910 | (18,972,238) |
| Total all funds | \$2,364,284,108 | \$2,345,457,354 | \$14,696,595 | \$2,360,153,949 | \$2,379,592,187 | (\$19,438,238) |
| Less estimated income | 1,429,648,423 | 1,421,403,389 | 5,338,602 | 1,426,741,991 | 1,435,980,554 | (9,238,563) |
| General fund | \$934,635,685 | \$924,053,965 | \$9,357,993 | \$933,411,958 | \$943,611,633 | (\$10,199,675) |
| FTE | 342.50 | 342.50 | 0.00 | 342.50 | 342.50 | 0.00 |

| PROGRAM AND POLICY SUBDIVISION | FTE | General Fund | Estimated Income | Total |
|---------------------------------------|------------|-------------------------|-----------------------------|--------------|
|---------------------------------------|------------|-------------------------|-----------------------------|--------------|

¹Program and Policy - Proposed Conference Committee changes:**Economic Assistance Policy Program**

No changes, the same as the House and Senate versions.

Child Support Program

No changes, the same as the House and Senate versions.

Medical Services Program

Restores funding removed by the House for a contract with a vendor to conduct prescreening of potential providers. The Senate did not restore this funding.

120,000

120,000

240,000

Restores funding removed by the House for professional medical expert reviews of medical records and prior authorizations, the same as the Senate version.

42,000

42,000

84,000

Restores funding removed by the House for oversight for qualified service provider mileage differential, the same as the Senate version.

78,040

21,960

100,000

Restores a portion of funding relating to caseload projections reduced by the House for transportation (\$250,000) and CHIPS (\$650,000), the same as the Senate version.

352,500

547,500

900,000

Long-Term Care Program

Restores funding removed by the House for caseload projections for expanded SPED, the same as the Senate version.

145,000

145,000

Reduces funding for long-term care caseload projections for nursing homes and HCBS waiver. The House also reduced funding for nursing home caseloads by \$7 million and HCBS waiver caseloads by \$1 million. The Senate version restored \$955,000 for nursing homes and \$1 million for HCBS waiver.

(2,000,000)

(2,000,000)

(4,000,000)

Restores funding removed by the House for personal needs allowance for basic care (\$193,725) and ICF/ID (\$170,280), the same as the Senate version.

278,850

85,155

364,005

Adds funding to increase nursing facility, basic care, DD and QSP provider wage passthrough increase from 50 cents to \$1 and decrease the inflationary increase from 4 percent each year of the biennium to 3 percent each year. The Senate version increased the passthrough from 50 cents to \$1 and left the inflationary increase at 4 percent each year of the biennium.

8,222,603

6,346,987

14,569,590

| | | | |
|--|---------|---------|---------|
| Restores funding removed by the House for infant development caseload projections, the same as the Senate version. The House removed this funding as part of the DD caseload projection reduction. | 175,000 | 175,000 | 350,000 |
|--|---------|---------|---------|

Aging Services Program

| | | | |
|--|---------|--|---------|
| Restores a portion of funding removed by the House for guardianship services to provide \$215,000 for petitioning costs and \$383,000 for contract staff. The Senate version restored \$1,000,000. | 598,000 | | 598,000 |
|--|---------|--|---------|

| | | | |
|---|---------|--|---------|
| Adds funding for senior meals. The House did not add funding for this purpose and the Senate version added \$900,000. | 750,000 | | 750,000 |
|---|---------|--|---------|

Children and Family Services Program

| | | | |
|--|---------|--|---------|
| Adds one-time funding for grants to a county social service board that is not on a reservation but is experiencing an increase in caseload from Spirit Lake for a total of \$300,000, the same as the Senate version. The House added \$150,000. | 150,000 | | 150,000 |
|--|---------|--|---------|

Mental Health and Substance Abuse Program

| | | | |
|--|---------|--|---------|
| Adds funding for additional services to be provided by Robinson Recovery Center, the same as the Senate version. | 296,000 | | 296,000 |
|--|---------|--|---------|

Developmental Disabilities Council

No changes, the same as the House and Senate versions.

Developmental Disabilities Division

| | | | |
|--|---------|--|---------|
| Adds funding for guardianship services for developmentally disabled individuals, the same as the Senate version. | 100,000 | | 100,000 |
|--|---------|--|---------|

Vocational Rehabilitation

| | | | |
|--|--------|--|--------|
| Adds funding for the older blind program for a total of \$100,000, the same as the Senate version. The House added \$50,000. | 50,000 | | 50,000 |
|--|--------|--|--------|

| | | | | |
|--|------|-------------|-------------|--------------|
| Total Conference Committee changes - Program and Policy | 0.00 | \$9,357,993 | \$5,338,602 | \$14,696,595 |
|--|------|-------------|-------------|--------------|

Other changes affecting program and policy programs:

A section is added providing for a Legislative Management study of the comprehensive system of care for individuals with brain injury.

A section is added providing for a Legislative Management study of North Dakota health care.

A section is added to amend subsection 3 of Section 14-09-09.10 relating to child support.

A section is added to amend Section 12-60-24 relating to foster care licensure, the same as the Senate.

A section added by the House relating to personal needs allowance is removed, the same as the Senate version.

A section added by the House for grants to a jurisdiction adjacent to an Indian reservation that does not receive reimbursement payments under Section 50-01.2-03.2 is amended to increase the grant amount from \$150,000 to \$300,000.

A section is added providing legislative intent relating to the deputy director position, the same as the Senate.

A section is added providing legislative intent relating to an electronic health records system, the same as the Senate.

Sections added by the Senate relating to a health care consortium are not included.

House Bill No. 1012 - Human Service Centers - General Fund Summary

| | Executive Budget | House Version | Conference Committee Changes ¹ | Conference Committee Version | Senate Version | Comparison to Senate |
|----------------------------|---------------------|------------------|---|------------------------------------|-------------------|-------------------------|
| DHS - State Hospital | 54,235,473 | 53,810,473 | (53,810,473) | | | |
| DHS - Developmental Center | 24,986,252 | 24,696,252 | (24,696,252) | | | |
| DHS - Statewide HSC | 4,994,616 | 4,394,616 | (4,394,616) | | | |
| DHS - Northwest HSC | 5,393,391 | 5,353,391 | (5,353,391) | | | |
| DHS - North Central HSC | 12,803,866 | 12,763,866 | (12,763,866) | | | |
| DHS - Lake Region HSC | 7,573,786 | 7,533,786 | (7,533,786) | | | |
| DHS - Northeast HSC | 13,744,433 | 13,704,433 | (13,704,433) | | | |
| DHS - Southeast HSC | 23,348,246 | 22,333,246 | (22,333,246) | | | |
| DHS - South Central HSC | 8,980,593 | 8,940,593 | (8,940,593) | | | |
| DHS - West Central HSC | 16,557,764 | 16,193,608 | (16,193,608) | | | |
| DHS - Badlands HSC | 7,026,670 | 6,986,670 | (6,986,670) | | | |
| Total general fund | \$179,645,090 | \$176,710,934 | (\$176,710,934) | | | |

House Bill No. 1012 - Human Service Centers - Other Funds Summary

| | Executive Budget | House Version | Conference Committee Changes ¹ | Conference Committee Version | Senate Version | Comparison to Senate |
|----------------------------|---------------------|------------------|---|------------------------------------|-------------------|-------------------------|
| DHS - State Hospital | 19,254,163 | 19,254,163 | (19,254,163) | | | |
| DHS - Developmental Center | 28,064,218 | 28,064,218 | (28,064,218) | | | |
| DHS - Statewide HSC | 1,075,139 | 675,139 | (675,139) | | | |
| DHS - Northwest HSC | 3,564,800 | 3,564,800 | (3,564,800) | | | |
| DHS - North Central HSC | 9,185,305 | 9,185,305 | (9,185,305) | | | |
| DHS - Lake Region HSC | 5,162,347 | 5,162,347 | (5,162,347) | | | |
| DHS - Northeast HSC | 14,138,342 | 14,138,342 | (14,138,342) | | | |
| DHS - Southeast HSC | 15,682,226 | 15,357,226 | (15,357,226) | | | |
| DHS - South Central HSC | 7,813,290 | 7,813,290 | (7,813,290) | | | |
| DHS - West Central HSC | 13,268,982 | 13,268,982 | (13,268,982) | | | |
| DHS - Badlands HSC | 5,319,048 | 5,319,048 | (5,319,048) | | | |
| Total other funds | \$122,527,860 | \$121,802,860 | (\$121,802,860) | | | |

House Bill No. 1012 - Human Service Centers - All Funds Summary

| | Executive Budget | House Version | Conference Committee Changes ¹ | Conference Committee Version | Senate Version | Comparison to Senate |
|----------------------------|---------------------|------------------|---|------------------------------------|-------------------|-------------------------|
| DHS - State Hospital | 73,489,636 | 73,064,636 | (73,064,636) | | | |
| DHS - Developmental Center | 53,050,470 | 52,760,470 | (52,760,470) | | | |
| DHS - Statewide HSC | 6,069,755 | 5,069,755 | (5,069,755) | | | |
| DHS - Northwest HSC | 8,958,191 | 8,918,191 | (8,918,191) | | | |
| DHS - North Central HSC | 21,989,171 | 21,949,171 | (21,949,171) | | | |
| DHS - Lake Region HSC | 12,736,133 | 12,696,133 | (12,696,133) | | | |
| DHS - Northeast HSC | 27,882,775 | 27,842,775 | (27,842,775) | | | |
| DHS - Southeast HSC | 39,030,472 | 37,690,472 | (37,690,472) | | | |
| DHS - South Central HSC | 16,793,883 | 16,753,883 | (16,753,883) | | | |
| DHS - West Central HSC | 29,826,746 | 29,462,590 | (29,462,590) | | | |
| DHS - Badlands HSC | 12,345,718 | 12,305,718 | (12,305,718) | | | |
| Total all funds | \$302,172,950 | \$298,513,794 | (\$298,513,794) | | | |
| FTE | 1706.48 | 1706.48 | (1706.48) | 0.00 | 0.00 | 0.00 |

House Bill No. 1012 - DHS - Field Services - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-----------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Human service centers | | | \$174,657,688 | \$174,657,688 | \$174,228,688 | \$429,000 |
| Institutions | | | 125,900,106 | 125,900,106 | 125,900,106 | |
| Total all funds | \$0 | \$0 | \$300,557,794 | \$300,557,794 | \$300,128,794 | \$429,000 |
| Less estimated income | 0 | 0 | 122,384,860 | 122,384,860 | 122,127,860 | 257,000 |
| General fund | \$0 | \$0 | \$178,172,934 | \$178,172,934 | \$178,000,934 | \$172,000 |
| FTE | 0.00 | 0.00 | 1706.48 | 1706.48 | 1706.48 | 0.00 |

Department No. 349 - DHS - Field Services - Detail of Conference Committee Changes

| Creates Field Services Subdivision ¹ | Conference Committee Changes ² | Total Conference Committee Changes |
|---|---|---|
|---|---|---|

| | | | |
|-----------------------|---------------|-------------|---------------|
| Human service centers | \$172,688,688 | \$1,969,000 | \$174,657,688 |
| Institutions | 125,825,106 | 75,000 | 125,900,106 |
| Total all funds | \$298,513,794 | \$2,044,000 | \$300,557,794 |
| Less estimated income | 121,802,860 | 582,000 | 122,384,860 |
| General fund | \$176,710,934 | \$1,462,000 | \$178,172,934 |
| FTE | 1706.48 | 0.00 | 1706.48 |

¹ The human service centers and institutions subdivision which provided separate line items for each institution and human service center is changed to the field services subdivision. The State Hospital and the Developmental Center line items are combined into the institutions line item and all of the human service centers are combined into one human service centers line item, the same as the Senate version.

| FIELD SERVICES | FTE | General Fund | Estimated Income | Total |
|---|------|--------------|------------------|-------------|
| ² Field Services - Proposed Conference Committee changes: | | | | |
| State Hospital | | | | |
| Restores funding removed by the House for water temperature controls for shower rooms in LaHaug building, the same as the Senate version. | | \$75,000 | | \$75,000 |
| Developmental Center | | | | |
| No changes, the same as the Senate version. | | | | |
| Statewide Human Service Centers | | | | |
| Restores funding removed by the House for operating expenses at all human service centers, the same as the Senate version. | | \$600,000 | \$400,000 | \$1,000,000 |
| Northwest Human Service Center | | | | |
| No changes, the same as the Senate version. | | | | |
| North Central Human Service Center | | | | |
| No changes, the same as the Senate version. | | | | |
| Lake Region Human Service Center | | | | |
| No changes, the same as the Senate version. | | | | |
| Northeast Human Service Center | | | | |
| No changes, the same as the Senate version. | | | | |
| Southeast Human Service Center | | | | |
| Partially restores funding removed by the House for a 16-unit transitional living facility and provides for an 8-bed unit. The Senate version included funding of \$1.3 million to restore funding for the 16-bed unit. | | \$547,000 | \$182,000 | \$729,000 |
| South Central Human Service Center | | | | |
| Adds funding for transitional employment grants, the same as the Senate version. | | \$240,000 | | \$240,000 |
| West Central Human Service Center | | | | |
| No changes, the same as the Senate version. | | | | |
| Badlands Human Service Center | | | | |
| No changes, the same as the Senate version. | | | | |
| Total Conference Committee changes - Field Services | 0.00 | \$1,462,000 | \$582,000 | \$2,044,000 |

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

MOTION

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

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

THE SENATE RECOGNIZED THE PRESENCE OF:

Former Governor George Sinner, Sr. and First Lady Jane Sinner

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. WANZEK MOVED that the conference committee report on Reengrossed SB 2021 as printed on SJ pages 1833-1837 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2021, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2021: A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to the budget section; to provide an appropriation for the office of management and budget; and to provide for various 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2021 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KILZER MOVED that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1012, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act providing an appropriation for defraying the expenses of the department of human services; to provide for intermediate care facility construction review; to amend and reenact subdivision f of subsection 2 of section 12-60-24, subsection 3 of section 14-09-09.10, and subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to criminal background checks for foster care providers, child support payments, and definitions for expanded service payments for elderly and disabled; to provide an exemption; to provide for a report to the legislative management; to provide for legislative management studies; and to provide a statement of legislative intent.

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: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman;

Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1012, as amended, passed.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 7:00 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

HB 1016, as engrossed: Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reps. Brandenburg, Thoreson, Guggisberg) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1361-1365, adopt amendments as follows, and place HB 1016 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1361-1365 of the House Journal and pages 1212-1216 of the Senate Journal and that Engrossed House Bill No. 1016 be amended as follows:

Page 1, line 2, after "general" insert "; to provide for a contingent appropriation; to provide an appropriation to the housing finance agency"

Page 1, line 2, after "exemptions" insert "; to provide for a budget section report"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 and 2 with:

| | | | |
|------------------------------------|-------------------|------------------|-------------------|
| "Salaries and wages | \$5,153,886 | \$2,179,283 | \$7,333,169 |
| Operating expenses | 4,062,891 | 50,000 | 4,112,891 |
| Capital assets | 229,371 | 1,141,261 | 1,370,632 |
| Grants | 449,514 | 660,000 | 1,109,514 |
| Civil air patrol | 243,353 | 44,098 | 287,451 |
| Tuition, recruiting, and retention | 2,407,500 | 110,000 | 2,517,500 |
| Air guard contract | 10,989,323 | 493,835 | 11,483,158 |
| Army guard contract | 56,110,755 | 2,071,916 | 58,182,671 |
| Veterans' cemetery | 576,916 | 70,089 | 647,005 |
| Reintegration program | 1,477,449 | 9,531 | 1,486,980 |
| Accrued leave payments | <u>0</u> | <u>812,098</u> | <u>812,098</u> |
| Total all funds | \$81,700,958 | \$7,642,111 | \$89,343,069 |
| Less estimated income | <u>65,721,902</u> | <u>4,596,841</u> | <u>70,318,743</u> |
| Total general fund | \$15,979,056 | \$3,045,270 | \$19,024,326" |

Page 2, replace lines 7 through 16 with:

| | | | |
|------------------------|--------------------|---------------------|--------------------|
| "Salaries and wages | \$11,363,744 | (\$1,064,824) | \$10,298,920 |
| Operating expenses | 9,930,022 | (10,534) | 9,919,488 |
| Capital assets | 802,000 | 121,240 | 923,240 |
| Grants | 71,419,771 | (52,046,524) | 19,373,247 |
| Disaster costs | 109,923,008 | 37,795,559 | 147,718,567 |
| Radio communications | 0 | 2,735,000 | 2,735,000 |
| Accrued leave payments | <u>0</u> | <u>283,895</u> | <u>283,895</u> |
| Total all funds | \$203,438,545 | (\$12,186,188) | \$191,252,357 |
| Less estimated income | <u>195,382,476</u> | <u>(15,856,622)</u> | <u>179,525,854</u> |
| Total general fund | \$8,056,069 | \$3,670,434 | \$11,726,503" |

Page 2, replace lines 21 through 23 with:

| | | | |
|---------------------------|--------------------|--------------------|--------------------|
| "Grand total general fund | \$24,035,125 | \$7,090,704 | \$31,125,829 |
| Grand total special funds | <u>261,104,378</u> | <u>(9,759,781)</u> | <u>251,344,597</u> |
| Grand total all funds | \$285,139,503 | (\$2,669,077) | \$282,470,426" |

Page 3, replace lines 4 and 5 with:

| | | |
|-----------------------------|-----------|------------|
| "State radio tower package | 1,500,000 | 1,175,000 |
| Statewide seamless base map | 900,000 | 1,150,000" |

Page 3, replace lines 16 through 18 with:

| | | |
|-----------------------|--------------|--------------|
| "Total all funds | \$45,818,428 | \$6,326,240 |
| Less estimated income | 40,000,000 | 2,000,000 |
| Total general fund | \$5,818,428 | \$4,326,240" |

Page 3, after line 22, insert:

"SECTION 3. CONTINGENT APPROPRIATION - NATIONAL GUARD TUITION ASSISTANCE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$375,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing tuition assistance to eligible members of the North Dakota national guard, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding appropriated under this section is contingent upon the adjutant general certifying to the office of management and budget that the national guard has received a new assignment in association with the Grand Forks air force base.

SECTION 4. APPROPRIATION - HOUSING FINANCE AGENCY - FLOOD-IMPACTED HOUSING ASSISTANCE - BUDGET SECTION REPORT. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the housing finance agency for the purpose of providing grants for flood-impacted housing assistance, for the period beginning with the effective date of this Act and ending June 30, 2015. The funds appropriated under this section must be used to provide grants to counties, cities, local housing authorities, and other nonprofit entities to assist homeowners and residents in the rehabilitation or replacement of flood-damaged homes, to retain homeowners and other residents in the community, and for transitional expenses to facilitate housing availability for flood-impacted residents. An entity requesting a grant for temporary housing for flood-impacted residents must certify to the housing finance agency that housing occupants are eligible to receive housing assistance under federal housing and urban development agency guidelines, that a land use agreement is in place for temporary housing units, and that a plan has been developed for the disposal of temporary housing units. The housing finance agency shall develop guidelines for the distribution of funds including the frequency of the distribution of grant funds. During the 2013-14 interim the housing finance agency shall provide a report to the budget section regarding the use of funds under this section."

Page 5, replace lines 8 through 12 with:

"SECTION 13. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 42 of the 2011 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance to eligible members of the North Dakota national guard during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 14. EMERGENCY. Section 4 of this Act and funding of \$600,000 from the general fund in the grants line item in subdivision 1 of section 1 of this Act, relating to the veterans' bonus program, funding of \$241,240 from the general fund in the capital assets line item in subdivision 2 of section 1 of this Act, relating to the state radio communications center project, and funding of \$960,000 from the general fund in the capital assets line item in subdivision 1 of section 1 of this Act, relating to the state radio communications center project, are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1016 - Summary of Conference Committee Action**

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-------------------------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Housing Finance Agency | | | | | | |
| Total all funds | \$0 | \$0 | \$1,500,000 | \$1,500,000 | \$0 | \$1,500,000 |
| Less estimated income | 0 | 0 | 1,500,000 | 1,500,000 | 0 | 1,500,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjutant General | | | | | | |
| Total all funds | \$89,641,960 | \$88,636,911 | \$1,081,158 | \$89,718,069 | \$90,251,705 | (\$533,636) |
| Less estimated income | 70,547,829 | 69,885,679 | 433,064 | 70,318,743 | 70,669,760 | (351,017) |
| General fund | \$19,094,131 | \$18,751,232 | \$648,094 | \$19,399,326 | \$19,581,945 | (\$182,619) |
| Department of Emergency Services | | | | | | |
| Total all funds | \$192,227,357 | \$190,777,357 | \$475,000 | \$191,252,357 | \$192,752,357 | (\$1,500,000) |
| Less estimated income | 179,525,854 | 179,325,854 | 200,000 | 179,525,854 | 181,025,854 | (1,500,000) |
| General fund | \$12,701,503 | \$11,451,503 | \$275,000 | \$11,726,503 | \$11,726,503 | \$0 |
| Bill total | | | | | | |
| Total all funds | \$281,869,317 | \$279,414,268 | \$3,056,158 | \$282,470,426 | \$283,004,062 | (\$533,636) |
| Less estimated income | 250,073,683 | 249,211,533 | 2,133,064 | 251,344,597 | 251,695,614 | (351,017) |
| General fund | \$31,795,634 | \$30,202,735 | \$923,094 | \$31,125,829 | \$31,308,448 | (\$182,619) |

House Bill No. 1016 - Housing Finance Agency - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Flood-impacted housing | | | \$1,500,000 | \$1,500,000 | | \$1,500,000 |
| Total all funds | \$0 | \$0 | \$1,500,000 | \$1,500,000 | \$0 | \$1,500,000 |
| Less estimated income | 0 | 0 | 1,500,000 | 1,500,000 | 0 | 1,500,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 473 - Housing Finance Agency - Detail of Conference Committee Changes

| | Adds Funding for Housing Rehabilitation ¹ | Total Conference Committee Changes |
|------------------------|--|---|
| Flood-impacted housing | \$1,500,000 | \$1,500,000 |
| Total all funds | \$1,500,000 | \$1,500,000 |
| Less estimated income | 1,500,000 | 1,500,000 |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ Funding of \$1.5 million from the state disaster relief fund is added to continue county and city housing rehabilitation projects to assist residents in the rehabilitation or replacement of flood-damaged homes. The Housing Finance Agency is to provide a report to the Budget Section regarding the use of the funds. The Senate version provided a \$1.5 million appropriation from the state disaster relief fund to the Adjutant General for flood-impacted housing assistance.

House Bill No. 1016 - Adjutant General - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|--------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Salaries and wages | \$7,844,116 | \$6,677,011 | \$656,158 | \$7,333,169 | \$8,028,861 | (\$695,692) |
| Operating expenses | 4,062,891 | 4,062,891 | 50,000 | 4,112,891 | 4,112,891 | |
| Capital assets | 1,370,632 | 1,370,632 | | 1,370,632 | 1,370,632 | |

| | | | | | | |
|------------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Grants | 1,109,514 | 1,109,514 | | 1,109,514 | 1,109,514 | |
| Civil Air Patrol | 290,771 | 287,451 | | 287,451 | 290,771 | (3,320) |
| Tuition, recruiting, and retention | 2,517,500 | 2,517,500 | | 2,517,500 | 2,517,500 | |
| Air Guard contract | 11,748,127 | 11,483,158 | | 11,483,158 | 11,748,127 | (264,969) |
| Army Guard contract | 58,533,992 | 58,182,671 | | 58,182,671 | 58,533,992 | (351,321) |
| Veterans' Cemetery | 662,824 | 647,005 | | 647,005 | 662,824 | (15,819) |
| Reintegration program | 1,501,593 | 1,486,980 | | 1,486,980 | 1,501,593 | (14,613) |
| Accrued leave payments | | 812,098 | | 812,098 | | 812,098 |
| Contingent tuition assistance | | | 375,000 | 375,000 | 375,000 | |
| Total all funds | \$89,641,960 | \$88,636,911 | \$1,081,158 | \$89,718,069 | \$90,251,705 | (\$533,636) |
| Less estimated income | 70,547,829 | 69,885,679 | 433,064 | 70,318,743 | 70,669,760 | (351,017) |
| General fund | \$19,094,131 | \$18,751,232 | \$648,094 | \$19,399,326 | \$19,581,945 | (\$182,619) |
| FTE | 178.00 | 178.00 | 0.00 | 178.00 | 178.00 | 0.00 |

Department No. 540 - Adjutant General - Detail of Conference Committee Changes

| | Removes House Changes to Executive Compensation Package ¹ | Adjusts State Employee Compensation and Benefits Package ² | Adds Contingent Appropriation for Tuition Assistance ³ | Adds Funding for Veterans' Book ⁴ | Total Conference Committee Changes |
|------------------------------------|--|---|---|--|---|
| Salaries and wages | \$1,189,794 | (\$533,636) | | | \$656,158 |
| Operating expenses | | | | 50,000 | 50,000 |
| Capital assets | | | | | |
| Grants | | | | | |
| Civil Air Patrol | | | | | |
| Tuition, recruiting, and retention | | | | | |
| Air Guard contract | | | | | |
| Army Guard contract | | | | | |
| Veterans' Cemetery | | | | | |
| Reintegration program | | | | | |
| Accrued leave payments | | | | | |
| Contingent tuition assistance | | | 375,000 | | 375,000 |
| Total all funds | \$1,189,794 | (\$533,636) | \$375,000 | \$50,000 | \$1,081,158 |
| Less estimated income | 784,081 | (351,017) | 0 | 0 | 433,064 |
| General fund | \$405,713 | (\$182,619) | \$375,000 | \$50,000 | \$648,094 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

³ A section is added to provide a contingent general fund appropriation for tuition assistance for eligible members of the National Guard. The funding is contingent upon the Adjutant General certifying to the Office of Management and Budget that the National Guard has received a new assignment in association with the Grand Forks Air Force Base. The Senate also added the section.

⁴ Funding is added for the Adjutant General to coordinate the writing, publishing, and distribution of a book of all veterans having a relationship with the state. The Senate also added the funding.

This amendment:

- Adds a section to allow the Adjutant General to continue unspent 2011-13 biennium appropriations into the 2013-15 biennium relating to tuition assistance for eligible

members of the National Guard. The Adjutant General estimates \$500,000 from the general fund will be unspent at the end of the 2011-13 biennium and continued into the 2013-15 biennium. The Senate also added this section.

- Does not include a section added by the Senate to provide statutory changes relating to the uses of the state disaster relief fund.

House Bill No. 1016 - Department of Emergency Services - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Salaries and wages | \$10,571,028 | \$10,298,920 | | \$10,298,920 | \$10,571,028 | (\$272,108) |
| Operating expenses | 9,919,488 | 9,719,488 | 200,000 | 9,919,488 | 9,919,488 | |
| Capital assets | 923,240 | 923,240 | | 923,240 | 923,240 | |
| Grants | 19,373,247 | 19,373,247 | | 19,373,247 | 19,373,247 | |
| Disaster costs | 147,730,354 | 147,718,567 | | 147,718,567 | 149,230,354 | (1,511,787) |
| Radio communications | 3,710,000 | 2,460,000 | 275,000 | 2,735,000 | 2,735,000 | |
| Accrued leave payments | | 283,895 | | 283,895 | | 283,895 |
| Total all funds | \$192,227,357 | \$190,777,357 | \$475,000 | \$191,252,357 | \$192,752,357 | (\$1,500,000) |
| Less estimated income | 179,525,854 | 179,325,854 | 200,000 | 179,525,854 | 181,025,854 | (1,500,000) |
| General fund | \$12,701,503 | \$11,451,503 | \$275,000 | \$11,726,503 | \$11,726,503 | \$0 |
| FTE | 68.00 | 68.00 | 0.00 | 68.00 | 68.00 | 0.00 |

Department No. 542 - Department of Emergency Services - Detail of Conference Committee Changes

| | Restores Funding for Volunteer Disaster Response Coordination ¹ | Restores a Portion of Funding for State Radio Towers ² | Total Conference Committee Changes |
|------------------------|--|---|------------------------------------|
| Salaries and wages | | | |
| Operating expenses | 200,000 | | 200,000 |
| Capital assets | | | |
| Grants | | | |
| Disaster costs | | | |
| Radio communications | | 275,000 | 275,000 |
| Accrued leave payments | | | |
| Total all funds | \$200,000 | \$275,000 | \$475,000 |
| Less estimated income | 200,000 | 0 | 200,000 |
| General fund | \$0 | \$275,000 | \$275,000 |
| FTE | 0.00 | 0.00 | 0.00 |

¹ Funding of \$200,000 from the state disaster relief fund removed by the House for volunteer disaster response coordination is restored, the same level as the Senate version. The executive budget recommendation provided for total funding of \$400,000 from the state disaster relief fund for volunteer disaster response coordination.

² One-time funding of \$275,000 from the general fund is added for new State Radio towers to provide total funding of \$1,175,000 from the general fund, the same as the Senate version. The executive budget included funding of \$1,500,000 from the general fund for State Radio towers. The House version provided \$900,000 from the general fund for State Radio towers.

Engrossed HB 1016 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 Reengrossed HB 1016 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1016, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1016: A BILL for an Act to provide an appropriation for defraying the expenses of the office of adjutant general; to provide for a contingent appropriation; to provide an appropriation to the housing finance agency; to provide for transfers; to provide exemptions; to provide for a budget section report; 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: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed HB 1016, as amended, passed and the emergency clause was declared carried.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The Speaker has appointed Rep. Boehning to replace Rep. Amerman on the Conference Committee on HB 1286.

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 2021.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1012.

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 2012.

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 1016.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1358.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1016.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently failed to pass: HB 1234.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: HB 1422.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on May 1, 2013, I have signed the following: SB 2007, SB 2010, and SB 2024.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Seventh, and Sixteenth orders

of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, May 2, 2013, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1358, as reengrossed: Your conference committee (Sens. Cook, Oehlke, Dotzenrod and Reps. Belter, Delzer, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1825-1832, adopt amendments as follows, and place HB 1358 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1825-1832 of the House Journal and pages 1678-1686 of the Senate Journal and that Reengrossed House Bill No. 1358 be amended as follows:

Page 1, line 1, remove "a new section to chapter 23-01 and"

Page 1, line 5, remove "; to provide a continuing appropriation"

Page 1, line 5, remove the second "a"

Page 1, line 6, replace "statement of legislative intent" with "for reports to the budget section"

Page 1, line 6, replace "declare an emergency" with "provide an expiration date"

Page 1, remove lines 8 through 24

Page 2, remove lines 1 through 22

Page 3, line 9, replace "seven" with "three"

Page 3, line 9, replace "fifty" with "seventy-five"

Page 3, line 18, replace "two" with "one"

Page 3, line 18, replace "fifty" with "twenty-five"

Page 3, remove lines 21 through 31

Page 4, remove lines 1 through 24

Page 4, line 25, replace "e." with "c."

Page 4, line 26, overstrike "one" and insert immediately thereafter "two"

Page 4, line 26, replace "fifty" with "forty"

Page 4, remove lines 27 through 30

Page 5, line 1, replace "g." with "d."

Page 5, line 1, remove "If there are no remaining"

Page 5, remove lines 2 through 6

Page 5, line 11, overstrike "the next"

Page 5, line 11, replace "four" with "all annual revenue exceeding five"

Page 5, line 11, overstrike "seventy-five" and insert immediately thereafter "twenty-five"

Page 5, line 12, overstrike "c. Of the next"

Page 5, line 12, remove "three"

Page 5, line 12, overstrike "million dollars, fifty percent is allocated to the county."

Page 5, line 13, overstrike "d. Of"

Page 5, line 13, remove "all remaining annual revenue"

Page 5, line 13, overstrike ", twenty-five"

Page 5, overstrike line 14

Page 6, line 1, after "received" insert "less than"

Page 6, line 1, remove "or more"

Page 6, line 3, remove "under subsections 1 and 2"

Page 6, line 3, replace "credited" with "distributed"

Page 6, line 3, replace "county" with "state"

Page 6, line 4, remove the overstrike over "~~Forty-five~~"

Page 6, line 4, remove "Sixty"

Page 6, line 5, overstrike "credited by" and insert immediately thereafter "distributed to"

Page 6, line 5, after "treasurer" insert "and credited"

Page 6, line 11, remove the overstrike over "~~Thirty-five percent of all revenues allocated to any county for allocation under this~~"

Page 6, line 12, remove the overstrike over "~~subsection must be apportioned by the~~"

Page 6, line 12, after "~~county~~" insert "state"

Page 6, line 12, remove the overstrike over "~~treasurer no less than quarterly to~~"

Page 6, line 13, remove the overstrike over "~~school districts within the county~~" and insert immediately thereafter ", excluding consideration of and allocation to any hub city school district in the county,"

Page 6, line 13, remove the overstrike over "~~on the average daily attendance distribution~~"

Page 6, line 14, remove the overstrike over "~~basis, as certified to the~~"

Page 6, line 14, after the first "~~county~~" insert "state"

Page 6, line 14, remove the overstrike over "~~treasurer by the county superintendent of~~"

Page 6, line 15, remove the overstrike over "~~schools.~~"

Page 7, line 25, remove the overstrike over "e."

Page 8, remove lines 7 through 30

Page 9, remove lines 1 through 16

Page 9, line 17, replace "did not reach a level of" with "received"

Page 9, line 17, after "dollars" insert "or more"

Page 9, line 19, replace "credited" with "distributed"

Page 9, line 19, replace the second "county" with "state"

Page 9, line 20, replace "Forty-five" with "Sixty"

Page 9, line 20, replace "credited by" with "distributed to"

Page 9, line 20, after "treasurer" insert "and credited"

Page 9, line 25, replace "Thirty-five" with "Five"

Page 9, line 25, replace "county" with "state"

Page 9, line 28, replace the second "county" with "state"

Page 9, line 29, after "from" insert "consideration and"

Page 9, line 30, remove "The total annual apportionment to school districts under"

Page 9, remove line 31

Page 10, after line 8, insert:

- "d. Three percent must be apportioned no less than quarterly by the state treasurer among the organized and unorganized townships of the county. The state treasurer shall apportion the funds available under this subdivision among townships in the proportion that township road miles in the township bears to the total township road miles in the county. The amount apportioned to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads, which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships.
- e. Three percent must be allocated by the state treasurer among the organized and unorganized townships in all the counties that received five million dollars or more of allocations under subsection 2 in the most recently completed state fiscal year. The amount available under this subdivision must be allocated no less than quarterly by the state treasurer in an equal amount to each eligible organized and unorganized township. The amount allocated to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads, which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships.
- f. Nine percent must be allocated by the state treasurer among hub cities. The amount available for allocation under this subdivision must be apportioned by the state treasurer no less than quarterly among hub cities. Sixty percent of funds available under this subdivision must be distributed to the hub city receiving the greatest percentage of allocations to hub cities under subdivision a of subsection 1 for the quarterly period, thirty percent of funds available under this subdivision must be distributed to the hub city receiving the second greatest percentage of such allocations, and ten percent of funds available under this subdivision must be distributed to the hub city receiving the third greatest percentage of such allocations."

Page 11, line 16, remove the overstrike over "~~or school districts~~"

Page 11, line 17, remove the overstrike over "~~or school district~~"

Page 11, line 18, remove the overstrike over "~~or school district~~"

Page 11, line 21, remove the overstrike over "~~or school districts~~"

Page 12, line 13, overstrike "must be considered"

Page 12, line 31, replace "\$150,000" with "\$120,000"

Page 13, line 5, remove **"STATE TREASURER - STRATEGIC INVESTMENT AND"**

Page 13, line 6, replace **"IMPROVEMENTS FUND"** with **"DEPARTMENT OF TRANSPORTATION"**

Page 13, line 6, remove "strategic investment"

Page 13, line 7, replace "and improvements" with "general"

Page 13, line 8, replace "\$190,000,000" with "\$160,000,000"

Page 13, line 8, replace "state treasurer" with "department of transportation"

Page 13, line 9, after "allocation" insert "as provided in this section"

Page 13, line 9, after "counties" insert "that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, 2012"

Page 13, line 9, replace "period" with "biennium"

Page 13, line 9, replace "May" with "July"

Page 13, line 10, remove "The amounts available for allocation under this section must be allocated"

Page 13, replace lines 11 through 20 with:

- "1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, 2012, are eligible for this funding.
2. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road and bridge conditions, and integration with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:

- a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
 6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
 7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
 8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
 9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.
 10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section."

Page 13, line 23, replace "\$150,000,000" with "\$120,000,000"

Page 13, line 24, remove "in equal amounts in each fiscal year"

Page 13, line 25, remove "of the biennium"

Page 13, line 26, remove "most recently completed"

Page 13, line 26, after "year" insert "ending June 30, 2012"

Page 13, line 26, replace "period" with "biennium"

Page 13, line 27, replace "May" with "July"

Page 13, line 28, remove "allocated in the amount of \$45,000,000 on or before May 1, 2013, and in"

Page 13, line 29, replace "the amount of \$105,000,000 on or before May 1," with "distributed on or after February 1,"

Page 13, line 29, remove "Allocations among counties under this"

Page 13, remove lines 30 and 31

Page 14, replace lines 1 and 2 with:

- "1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support economic activity in North Dakota.

- a. To be eligible to receive an allocation under this section, a county may not have received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 during the state fiscal year ending June 30, 2012.
 - b. Allocations among eligible counties under this section must be based on the miles of roads defined by the department of transportation as county major collector roadways in each county.
 - c. The department of transportation may use data supplied by the upper great plains transportation institute in determining the projects to receive funding under this section.
2. Each county requesting funding under this section shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on actual road and bridge conditions and the integration of projects with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet

[6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.

10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section."

Page 14, line 6, replace "period" with "biennium"

Page 14, line 7, replace "May" with "July"

Page 14, line 8, replace "on or before May 1," with "in July"

Page 14, line 8, remove the second comma

Page 14, line 8, remove "1,"

Page 14, line 13, remove "If any funds remain after the distributions provided under this"

Page 14, remove lines 14 through 19

Page 14, line 20, remove "township is not levying at least ten mills for township purposes."

Page 14, line 26, replace "for" with "in"

Page 14, line 26, remove "preceding"

Page 14, line 26, after "year" insert "ending June 30, 2012"

Page 14, remove lines 27 through 31

Page 15, remove lines 1 through 21

Page 15, line 23, after "**FUND**" insert "**- REPORT TO BUDGET SECTION**"

Page 15, line 25, replace "\$6,000,000" with "\$2,000,000"

Page 16, line 1, remove "The annual allocation for each full-time equivalent"

Page 16, line 2, remove "position may not exceed \$90 per month."

Page 16, line 5, remove "legislative management"

Page 16, line 6, replace "during the 2013-14 interim" with "budget section annually"

Page 16, replace lines 10 through 27 with:

"SECTION 9. APPROPRIATION - OIL AND GAS IMPACT GRANT FUND - GRANT RECOMMENDATIONS. There is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$239,299,174, or so much of the sum as may be necessary, to the board of university and school lands for the purpose of oil and gas impact grants, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Grants awarded under this section are not subject to section 54-44.1-11. The funding provided in this section is considered a one-time funding item.

During the biennium beginning July 1, 2013, and ending June 30, 2015, the energy infrastructure and impact office director shall include in recommendations to the board of university and school lands on grants to eligible entities in oil and gas development impact areas:

1. \$5,000,000, or so much of the sum as may be necessary, for the purpose of providing distributions to eligible counties experiencing new oil and gas

development activities. As determined by the director of the department of mineral resources, a county is eligible for a distribution under this subsection if the county produced fewer than 100,000 barrels of oil for the month of November 2012 and after November 2012 the number of active oil rigs operating in the county in any one month exceeds four rigs. Upon the determination by the director of the department of mineral resources that a county is eligible for a distribution under this section, the commissioner of university and school lands shall provide \$1,250,000 to the county for defraying expenses associated with oil and gas development impacts in the county. The county, in determining the use of the funds received, shall consider and, to the extent possible, address the needs of other political subdivisions in the county resulting from the impact of oil and gas development.

2. \$60,000,000, or so much of the sum as may be necessary, for grants to airports impacted by oil and gas development. The director of the energy infrastructure and impact office shall adopt grant procedures and requirements necessary for distribution of grants under this subsection, which must include cost-share requirements. Cost-share requirements must consider the availability of local funds to support the project. Grant funds must be distributed giving priority to projects that have been awarded or are eligible to receive federal funding.
3. \$4,000,000, or so much of the sum as may be necessary, for grants to public institutions of higher education impacted by oil and gas development. Notwithstanding the provisions of chapter 57-62, public institutions of higher education are eligible to receive oil and gas impact grants under this subsection. The director of the energy infrastructure and impact office may develop grant procedures and requirements necessary for distribution of grants under this subsection.
4. \$3,000,000, or so much of the sum as may be necessary, for grants of \$1,000,000 each to three counties in oil-impacted areas for a pilot project for dust control. The county commission from each county awarded a grant shall file a report with the director of the energy infrastructure and impact office by January 1, 2014, regarding any product used to control dust and the success or failure of the product in controlling dust. The director of the energy infrastructure and impact office may develop grant procedures and requirements necessary for distribution of grants under this section. The director of the energy infrastructure and impact office shall consult with the state department of health and the industrial commission relating to the use of oilfield-produced saltwater and products previously tested for dust control.
5. \$7,000,000, or so much of the sum as may be necessary, to counties for the benefit of county sheriff's departments to offset oil and gas development impact causing a need for increased sheriff's department services, staff, funding, equipment, coverage, and personnel training.
6. \$7,000,000, or so much of the sum as may be necessary, for grants to emergency medical services providers for an extraordinary expenditure that would mitigate negative effects of oil development impact affecting emergency medical services providers providing service in oil-producing counties, including need for increased emergency medical services providers services, staff, funding, equipment, coverage, and personnel training. The director of the energy infrastructure and impact office may develop grant procedures and requirements necessary for distribution of grants under this subsection.
7. \$3,500,000, or so much of the sum as may be necessary, for grants to fire protection districts for an extraordinary expenditure that would mitigate negative effects of oil development impact affecting fire protection districts providing service in oil-producing counties, including need for increased fire protection districts services, staff, funding, equipment, coverage, and personnel training.

8. \$14,000,000, or so much of the sum as may be necessary, for grants to hub cities. A hub city as defined in section 57-51-01 is eligible to receive grants from the oil and gas impact grant fund only to the extent provided for under this subsection. Of the funding allocation provided for in this subsection, \$2,000,000 is available for grants to the hub city receiving the greatest percentage of allocations to hub cities under subdivision a of subsection 1 of section 57-51-15, \$7,000,000 is available for grants to the hub city receiving the second greatest percentage of allocations to hub cities under subdivision a of subsection 1 of section 57-51-15, and \$5,000,000 is available for grants to the hub city receiving the third greatest percentage of allocations to hub cities under subdivision a of subsection 1 of section 57-51-15.

SECTION 10. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - REPORT TO BUDGET SECTION.

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$9,600,000, or so much of the sum as may be necessary, to the department of human services for the purpose of administering a grant program for critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas and related economic development activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services shall develop policies and procedures for the disbursement of the grant funding and may not award more than \$4,800,000 during each year of the biennium. The department of human services shall allocate funding in January of each year of the biennium. This funding is considered one-time funding for the 2013-15 biennium. The department of human services shall report to the budget section annually and to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding. For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 for the preceding state fiscal year.

SECTION 11. APPROPRIATION - LAW ENFORCEMENT - ATTORNEY GENERAL'S OFFICE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - REPORT TO BUDGET SECTION.

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$9,600,000, or so much of the sum as may be necessary, to the attorney general's office for the purpose of awarding grants to law enforcement agencies, for crime-related needs of the attorney general's office, and for the development of a uniform law enforcement and custody manual, for the biennium beginning July 1, 2013, and ending June 30, 2015. The drug and violent crime policy board of the attorney general shall, with approval of the board of university and school lands, grant funds to law enforcement agencies in oil-impacted counties where crime-related activities have increased or in other counties if the crime-related activities in oil-impacted counties originated in any of those counties. The attorney general may spend up to ten percent of the funding provided under this section for defraying the expenses of additional staffing needs or other needs necessary to accomplish the role of the attorney general's office as an assisting agency in ensuring public safety in the affected areas. The funding provided in this section is considered a one-time funding item. The attorney general shall report to the budget section annually and to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding, including the impact the grant funding has had on crime-related activities.

SECTION 12. HUB CITIES - REPORT TO BUDGET SECTION. A representative of a hub city as defined in section 57-51-01 shall report to the budget section annually on the use of funding received from allocations under section 57-51-15."

Page 16, line 28, after "DATE" insert "- EXPIRATION DATE"

Page 16, line 28, after "Sections" insert "1 and"

Page 16, line 28, remove "and 3"

Page 16, line 29, after "2013" insert ", and before July 1, 2015, and are thereafter ineffective"

Page 16, remove lines 30 and 31

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1358 - Summary of Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| State Treasurer | | | | | | |
| Total all funds | \$0 | \$198,760,000 | (\$190,000,000) | \$8,760,000 | \$8,760,000 | \$0 |
| Less estimated income | 0 | 190,000,000 | (190,000,000) | 0 | 0 | 0 |
| General fund | \$0 | \$8,760,000 | \$0 | \$8,760,000 | \$8,760,000 | \$0 |
| Attorney General | | | | | | |
| Total all funds | \$0 | \$0 | \$9,600,000 | \$9,600,000 | \$10,000,000 | (\$400,000) |
| Less estimated income | 0 | 0 | 9,600,000 | 9,600,000 | 10,000,000 | (400,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Department of Trust Lands | | | | | | |
| Total all funds | \$0 | \$5,000,000 | \$234,299,174 | \$239,299,174 | \$72,000,000 | \$167,299,174 |
| Less estimated income | 0 | 5,000,000 | 234,299,174 | 239,299,174 | 72,000,000 | 167,299,174 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| State Department of Health | | | | | | |
| Total all funds | \$0 | \$6,250,000 | (\$6,250,000) | \$0 | \$0 | \$0 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$6,250,000 | (\$6,250,000) | \$0 | \$0 | \$0 |
| Department of Human Services | | | | | | |
| Total all funds | \$0 | \$10,000,000 | (\$400,000) | \$9,600,000 | \$0 | \$9,600,000 |
| Less estimated income | 0 | 10,000,000 | (400,000) | 9,600,000 | 0 | 9,600,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Job Service North Dakota | | | | | | |
| Total all funds | \$0 | \$150,000 | (\$30,000) | \$120,000 | \$120,000 | \$0 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$150,000 | (\$30,000) | \$120,000 | \$120,000 | \$0 |
| Department of Commerce | | | | | | |
| Total all funds | \$0 | \$6,000,000 | (\$4,000,000) | \$2,000,000 | \$0 | \$2,000,000 |
| Less estimated income | 0 | 6,000,000 | (4,000,000) | 2,000,000 | 0 | 2,000,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Department of Transportation | | | | | | |
| Total all funds | \$0 | \$150,000,000 | \$130,000,000 | \$280,000,000 | \$260,000,000 | \$20,000,000 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$150,000,000 | \$130,000,000 | \$280,000,000 | \$260,000,000 | \$20,000,000 |
| Bill total | | | | | | |
| Total all funds | \$0 | \$376,160,000 | \$173,219,174 | \$549,379,174 | \$350,880,000 | \$198,499,174 |
| Less estimated income | 0 | 211,000,000 | 49,499,174 | 260,499,174 | 82,000,000 | 178,499,174 |
| General fund | \$0 | \$165,160,000 | \$123,720,000 | \$288,880,000 | \$268,880,000 | \$20,000,000 |

House Bill No. 1358 - State Treasurer - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|----------------------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Oil-producing county allocations | | \$190,000,000 | (\$190,000,000) | | | |
| Township transportation grants | | 8,760,000 | | 8,760,000 | 8,760,000 | |
| Total all funds | \$0 | \$198,760,000 | (\$190,000,000) | \$8,760,000 | \$8,760,000 | \$0 |
| Less estimated income | 0 | 190,000,000 | (190,000,000) | 0 | 0 | 0 |
| General fund | \$0 | \$8,760,000 | \$0 | \$8,760,000 | \$8,760,000 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 120 - State Treasurer - Detail of Conference Committee Changes

| Removes Funding for Oil- Producing | Total Conference Committee |
|--|----------------------------------|
|--|----------------------------------|

| | Counties ¹ | Changes |
|----------------------------------|-----------------------|-----------------|
| Oil-producing county allocations | (\$190,000,000) | (\$190,000,000) |
| Township transportation grants | | |
| Total all funds | (\$190,000,000) | (\$190,000,000) |
| Less estimated income | (190,000,000) | (190,000,000) |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ Funding of \$190 million from the strategic investment and improvements fund for allocation among oil-producing counties is removed, the same as the Senate version. The House version provided \$190 million.

House Bill No. 1358 - Attorney General - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Law enforcement grants | | | \$9,600,000 | \$9,600,000 | \$10,000,000 | (\$400,000) |
| Total all funds | \$0 | \$0 | \$9,600,000 | \$9,600,000 | \$10,000,000 | (\$400,000) |
| Less estimated income | 0 | 0 | 9,600,000 | 9,600,000 | 10,000,000 | (400,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 125 - Attorney General - Detail of Conference Committee Changes

| | Adds Funding for Law Enforcement ¹ | Total Conference Committee Changes |
|------------------------|---|------------------------------------|
| Law enforcement grants | \$9,600,000 | \$9,600,000 |
| Total all funds | \$9,600,000 | \$9,600,000 |
| Less estimated income | 9,600,000 | 9,600,000 |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ The amendment adds funding of \$9.6 million from the strategic investment and improvements fund to the Attorney General for law enforcement grants, for crime-related needs of the Attorney General, and for the development of a uniformed law enforcement manual. The House version did not include this funding, but the Senate version provided \$10 million from the oil and gas impact grant fund.

House Bill No. 1358 - Department of Trust Lands - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|---|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| New oil-producing county grants | | \$5,000,000 | | \$5,000,000 | \$5,000,000 | |
| Oil impacted airport grants | | | 60,000,000 | 60,000,000 | 60,000,000 | |
| Oil impacted higher education grants | | | 4,000,000 | 4,000,000 | 4,000,000 | |
| Dust control pilot project | | | 3,000,000 | 3,000,000 | 3,000,000 | |
| Oil impacted sheriff's departments | | | 7,000,000 | 7,000,000 | | 7,000,000 |
| Oil impacted emergency medical services | | | 7,000,000 | 7,000,000 | | 7,000,000 |

| | | | | | | |
|--|------|-------------|---------------|---------------|--------------|---------------|
| Oil impacted fire protection districts | | | 3,500,000 | 3,500,000 | | 3,500,000 |
| Grants to hub cities | | | 14,000,000 | 14,000,000 | | 14,000,000 |
| Undesignated oil impact grants | | | 135,799,174 | 135,799,174 | | 135,799,174 |
| Total all funds | \$0 | \$5,000,000 | \$234,299,174 | \$239,299,174 | \$72,000,000 | \$167,299,174 |
| Less estimated income | 0 | 5,000,000 | 234,299,174 | 239,299,174 | 72,000,000 | 167,299,174 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 226 - Department of Trust Lands - Detail of Conference Committee Changes

| | Adds Funding for Airport Grants ¹ | Adds Funding for Higher Education Grants ² | Adds Funding for Dust Control Pilot Project ³ | Adds Funding for Sheriff's Departments ⁴ | Adds Funding for Emergency Medical Service Providers ⁵ | Adds Funding for Fire Protection Districts ⁶ |
|---|--|--|--|---|--|--|
| New oil-producing county grants | | | | | | |
| Oil impacted airport grants | 60,000,000 | | | | | |
| Oil impacted higher education grants | | 4,000,000 | | | | |
| Dust control pilot project | | | 3,000,000 | | | |
| Oil impacted sheriff's departments | | | | 7,000,000 | | |
| Oil impacted emergency medical services | | | | | 7,000,000 | |
| Oil impacted fire protection districts | | | | | | 3,500,000 |
| Grants to hub cities | | | | | | |
| Undesignated oil impact grants | | | | | | |
| Total all funds | \$60,000,000 | \$4,000,000 | \$3,000,000 | \$7,000,000 | \$7,000,000 | \$3,500,000 |
| Less estimated income | 60,000,000 | 4,000,000 | 3,000,000 | 7,000,000 | 7,000,000 | 3,500,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds Funding for Hub Cities ⁷ | Adds Funding for Undesignated Oil Impact Grants ⁸ | Total Conference Committee Changes |
|---|---|---|---|
| New oil-producing county grants | | | |
| Oil impacted airport grants | | | 60,000,000 |
| Oil impacted higher education grants | | | 4,000,000 |
| Dust control pilot project | | | 3,000,000 |
| Oil impacted sheriff's departments | | | 7,000,000 |
| Oil impacted emergency medical services | | | 7,000,000 |
| Oil impacted fire protection districts | | | 3,500,000 |
| Grants to hub cities | 14,000,000 | | 14,000,000 |
| Undesignated oil impact grants | | 135,799,174 | 135,799,174 |
| Total all funds | \$14,000,000 | \$135,799,174 | \$234,299,174 |
| Less estimated income | 14,000,000 | 135,799,174 | 234,299,174 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 |

¹ Funding of \$60 million from the oil and gas impact grant fund is added for grants to airports impacted by oil and gas development, which is the same as the Senate version. The House version did not include this funding.

² This amendment adds funding of \$4 million from the oil and gas impact grant fund for grants to institutions of higher education impacted by oil and gas development. The Senate version provided \$4 million, but the House version did not include this funding.

³ Funding of \$3 million from the oil and gas impact grant fund is added for a dust control pilot project in three oil-producing counties, which is the same as the Senate version. The House version did not provide funding for dust control.

⁴ This amendment adds funding of \$7 million from the oil and gas impact grant fund for grants to county sheriff's departments impacted by oil and gas development.

⁵ This amendment adds funding of \$7 million from the oil and gas impact grant fund for grants to emergency medical service providers impacted by oil and gas development.

⁶ Funding of \$3.5 million from the oil and gas impact grant fund to fire protection districts impacted by oil and gas development is added.

⁷ This amendment adds funding of \$14 million from the oil and gas impact grant fund for grants to hub cities. Grants from the oil and gas impact grant fund for hub cities are limited to \$2 million for Williston, \$7 million for Dickinson, and \$5 million for Minot.

⁸ Funding of \$135,799,174 from the oil and gas impact grant fund is added for undesignated oil impact grants.

House Bill No. 1358 - State Department of Health - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|--|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Emergency medical services allocations | | \$6,250,000 | (\$6,250,000) | | | |
| Total all funds | \$0 | \$6,250,000 | (\$6,250,000) | \$0 | \$0 | \$0 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$6,250,000 | (\$6,250,000) | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 301 - State Department of Health - Detail of Conference Committee Changes

| | Removes Funding for Emergency Medical Services ¹ | Total Conference Committee Changes |
|--|---|------------------------------------|
| Emergency medical services allocations | (\$6,250,000) | (\$6,250,000) |
| Total all funds | (\$6,250,000) | (\$6,250,000) |
| Less estimated income | 0 | 0 |
| General fund | (\$6,250,000) | (\$6,250,000) |
| FTE | 0.00 | 0.00 |

¹ This amendment removes funding of \$6.25 million from the general fund for allocations to emergency medical services providers in counties that received less than \$5 million in annual oil tax allocations, which is the same as the Senate version. The House version provided \$6.25 million.

House Bill No. 1358 - Department of Human Services - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|---------------------------------|------------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Critical access hospital grants | | \$10,000,000 | (\$400,000) | \$9,600,000 | | \$9,600,000 |
| Total all funds | \$0 | \$10,000,000 | (\$400,000) | \$9,600,000 | \$0 | \$9,600,000 |
| Less estimated income | 0 | 10,000,000 | (400,000) | 9,600,000 | 0 | 9,600,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

| | Reduces Funding for Grants to Critical Access Hospitals ¹ | Total Conference Committee Changes |
|---------------------------------|--|---|
| Critical access hospital grants | (\$400,000) | (\$400,000) |
| Total all funds | (\$400,000) | (\$400,000) |
| Less estimated income | (400,000) | (400,000) |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ This amendment reduces funding from the strategic investment and improvements fund for grants to critical access hospitals in oil-producing counties by \$400,000, from \$10 million to \$9.6 million. The House version provided \$10 million, and the Senate version removed this funding.

House Bill No. 1358 - Job Service North Dakota - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-------------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Employment data updates | | \$150,000 | (\$30,000) | \$120,000 | \$120,000 | |
| Total all funds | \$0 | \$150,000 | (\$30,000) | \$120,000 | \$120,000 | \$0 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$150,000 | (\$30,000) | \$120,000 | \$120,000 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

| | Reduces Funding for Data Collection ¹ | Total Conference Committee Changes |
|-------------------------|--|---|
| Employment data updates | (\$30,000) | (\$30,000) |
| Total all funds | (\$30,000) | (\$30,000) |
| Less estimated income | 0 | 0 |
| General fund | (\$30,000) | (\$30,000) |
| FTE | 0.00 | 0.00 |

¹ Funding to Job Service North Dakota for data collection is reduced by \$30,000, from \$150,000 to \$120,000. The House provided \$150,000, and the Senate provided \$120,000.

House Bill No. 1358 - Department of Commerce - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-----------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Nursing home grants | | \$6,000,000 | (\$4,000,000) | \$2,000,000 | | \$2,000,000 |
| Total all funds | \$0 | \$6,000,000 | (\$4,000,000) | \$2,000,000 | \$0 | \$2,000,000 |
| Less estimated income | 0 | 6,000,000 | (4,000,000) | 2,000,000 | 0 | 2,000,000 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| | | | | | |
|--------------|------|------|------|------|------|
| General fund | | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 601 - Department of Commerce - Detail of Conference Committee Changes

| | Reduces Funding for Nursing Home Grants ¹ | Total Conference Committee Changes |
|-----------------------|---|---|
| Nursing home grants | (\$4,000,000) | (\$4,000,000) |
| Total all funds | (\$4,000,000) | (\$4,000,000) |
| Less estimated income | (4,000,000) | (4,000,000) |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ This amendment reduces funding from the strategic investment and improvements fund for grants to nursing homes, basic care facilities, and providers serving individuals with developmental disabilities in oil-producing counties by \$4 million, from \$6 million to \$2 million. The House version provided \$6 million, and the Senate version removed this funding.

House Bill No. 1358 - Department of Transportation - Conference Committee Action

| | Executive Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-----------------------------------|---------------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| County transportation allocations | | \$150,000,000 | (\$30,000,000) | \$120,000,000 | \$100,000,000 | \$20,000,000 |
| Roads in oil-producing counties | | | 160,000,000 | 160,000,000 | 160,000,000 | |
| Total all funds | \$0 | \$150,000,000 | \$130,000,000 | \$280,000,000 | \$260,000,000 | \$20,000,000 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$0 | \$150,000,000 | \$130,000,000 | \$280,000,000 | \$260,000,000 | \$20,000,000 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

| | Reduces Funding for Roads in Non- Oil-Producing Counties ¹ | Adds Funding for Roads in Oil-Producing Counties ² | Total Conference Committee Changes |
|-----------------------------------|---|--|---|
| County transportation allocations | (\$30,000,000) | | (\$30,000,000) |
| Roads in oil-producing counties | | 160,000,000 | 160,000,000 |
| Total all funds | (\$30,000,000) | \$160,000,000 | \$130,000,000 |
| Less estimated income | 0 | 0 | 0 |
| General fund | (\$30,000,000) | \$160,000,000 | \$130,000,000 |
| FTE | 0.00 | 0.00 | 0.00 |

¹ This amendment reduces funding from the general fund for allocation among counties that received less than \$5 million in annual oil tax allocations by \$30 million, from \$150 million to \$120 million. The House provided \$150 million, and the Senate provided \$100 million. This funding is provided for paved and unpaved road projects and also bridge projects.

² Funding of \$160 million from the general fund is added for road projects in counties that received \$5 million or more in annual oil tax allocations. The House provided \$190 million from the strategic investment and improvements fund for road projects in oil-producing counties, and the Senate provided \$160 million from the general fund. This funding is provided for paved and unpaved road projects and also bridge projects.

This amendment also:

- Removes a section to create an emergency medical service and fire protection district funding committee, the same as the Senate version.
- Changes the amounts allocated from the 1 percent of the 5 percent oil tax collections:
 - Reduces the allocation to hub cities based on each full or partial percentage point of employment in mining by \$375,000, from \$750,000 to \$375,000, the same as the Senate version.
 - Reduces the allocation to hub city school districts based on each full or partial percentage point of employment in mining by \$125,000, from \$250,000 to \$125,000, the same as the Senate version.
 - Increases the allocation to the oil and gas impact grant fund by \$90 million, from \$150 million to \$240 million. Current law provides \$100 million.
- Changes the amounts allocated to counties from the 4 percent of the 5 percent oil tax collections to provide 25 percent of all revenue above \$5 million to the counties, the same as the Senate version. The House version provided multiple thresholds with varying percentages.
- Changes the allocation of the counties' share of the 4 percent of the 5 percent oil tax allocations:
 - Allocates to a county that received less than \$5 million from oil tax allocations in the most recently completed state fiscal year:
 - 45 percent to the county general fund.
 - 20 percent to cities.
 - 35 percent to school districts.
 - Allocates to a county that received \$5 million or more from oil tax allocations in the most recently completed state fiscal year:
 - 60 percent to the county general fund.
 - 20 percent to cities.
 - 5 percent to school districts.
 - 3 percent to organized and unorganized townships based on road miles.
 - 3 percent equally to organized and unorganized townships in all counties that received \$5 million or more from oil tax allocations.
 - 9 percent to hub cities, of which 60 percent is allocated to Williston, 30 percent to Dickinson, and 10 percent to Minot.
- Adds new requirements to the appropriation for road and bridge projects to provide Department of Transportation oversight.

- Adds new requirements for annual reports to the Budget Section on the use of funds provided for critical access hospitals, law enforcement grants, and hub cities.
- Changes the dates for the funding distributions and removes a section providing an emergency clause.
- Removes a section providing legislative intent.

Reengrossed HB 1358 was placed on the Seventh order of business on the calendar.

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

William R. Horton, Secretary

