

**JOURNAL OF THE SENATE**

**Sixty-seventh Legislative Assembly**

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**Bismarck, April 28, 2021**

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

The prayer was offered by Senator David Clemens, District 16.

The roll was called and all members were present.

A quorum was declared by the President.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. WANZEK MOVED** that the conference committee report on Engrossed HB 1008 as printed on SJ pages 1761-1764 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 create and enact two new sections to chapter 49-01, subsection 4 of section 49-22-22, subsection 4 of section 49-22.1-21, and a new section to chapter 64-02 of the North Dakota Century Code, relating to a public service commission program fund, a public utility assessment, siting process administrative fees, and fees for registered service companies and to license and test a registered service person; to amend and reenact sections 49-01-05, 57-43.2-19, 64-02-10, and 64-02-12 of the North Dakota Century Code, relating to the salary of the commissioners, the transfer and distribution of funds in the highway tax distribution fund, fees to test or calibrate weighing and measuring devices, and the deposit of fees; to provide a report; to provide for a transfer; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner; Weber; Wobbema

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

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**MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 12:45 p.m., which motion prevailed.

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

**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 1453.

**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 1465.

**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 failed to pass: SB 2018.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Anderson, Chairman)** has carefully examined the Journal of the Sixty-second, Sixty-fifth, Sixty-sixth, and Seventy-fourth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1307, line 3, replace " J. Roers" with "K. Roers"

Page 1444, line 5, replace "Oban, Larson" with "Larson, Oban"

Page 1488, line 30, replace "Lee, K. Roers, Anderson" with "Lee, Anderson, K. Roers"

Page 1489, line 23, replace "Hogan, Clemens" with "Clemens, Hogan"

Page 1742 remove lines 50-51

Page 1743, remove lines 2-23

Page 1742, after line 49, insert:

**"REPORT OF CONFERENCE COMMITTEE**

**SB 2256, as engrossed:** Your conference committee (Sens. Lee, Clemens, Hogan and Reps. Rohr, Tveit, Schneider) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1313-1314, adopt amendments as follows, and place SB 2256 on the Seventh order:

That the House recede from its amendments as printed on page 1313 of the Senate Journal and pages 1437 and 1438 of the House Journal and that Engrossed Senate Bill No. 2256 be amended as follows:

Page 1, line 1, after "developmental" insert "disability"

Page 1, line 2, replace "; and to provide an appropriation" with "and autism spectrum disorder waiver and voucher programs"

Page 1, line 5, after "**SERVICES**" insert "**- AUTISM SPECTRUM DISORDER WAIVER AND VOUCHER PROGRAMS**"

Page 1, line 6, after "regulations" insert "and services"

Page 1, line 7, after "disabilities" insert "and individuals with autism spectrum disorder"

Page 1, line 10, after "disability" insert "and individuals who have an autism spectrum disorder"

Page 1, line 13, after "sources" insert ", including the federal Medicaid 1915(i) state plan amendment"

Page 1, line 15, after "new" insert "or modified"

Page 1, line 15, remove "and"

Page 1, line 18, after "implementation" insert "; and

- e. The elimination of the autism spectrum disorder task force, including contracting with a private, nonprofit entity that does not provide autism spectrum disorder services to facilitate and provide support services to the autism spectrum disorder task force"

Page 1, line 19, after "2." insert "In conducting the study, the legislative management shall contract with a third party.

3."

Page 1, remove lines 22 through 24

Page 2, remove lines 1 and 2

Renumber accordingly

Engrossed SB 2256 was placed on the Seventh order of business on the calendar."

Page 1760, remove lines 26-49

Page 1761, remove lines 2-48

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

#### REPORT OF CONFERENCE COMMITTEE

**SB 2004, as engrossed:** Your conference committee (Sens. Sorvaag, Bekkedahl, Mathern and Reps. Kreidt, Strinden, Mitskog) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1360-1363, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1360-1363 of the Senate Journal and pages 1571-1573 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 2, replace "section" with "sections"

Page 1, line 2, after "23-01-02" insert ", 54-27-25, 61-02.1-02.1, and 61-02.1-04"

Page 1, line 2, after "Code" insert ", and section 510 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly"

Page 1, line 3, after "council" insert ", the tobacco settlement trust fund, statewide water development project funding, bonds payable, and the transfer of appropriation authority to the department of health and human services; to repeal sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code, relating to water development trust fund expenditures and the water development trust fund; to provide for a transfer; to provide a statement of legislative intent"

Page 1, line 3, remove "and"

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

Page 1, remove lines 14 through 23

Page 2, replace lines 1 and 2 with:

|  |               |              |               |
|--|---------------|--------------|---------------|
| "Salaries and wages                        | \$37,719,574  | \$3,643,394  | \$41,362,968  |
| Operating expenses                         | 32,398,526    | (820,983)    | 31,577,543    |
| Capital assets                             | 2,164,813     | 481,580      | 2,646,393     |
| Grants                                     | 53,257,292    | 1,991,853    | 55,249,145    |
| Tobacco prevention                         | 12,902,064    | 507,958      | 13,410,022    |
| Women, infants, and children food payments | 19,780,000    | 120,000      | 19,900,000    |
| Statewide health strategies                | 0             | 3,000,000    | 3,000,000     |
| COVID-19                                   | 0             | 13,722,107   | 13,722,107    |
| Total all funds                            | \$158,222,269 | \$22,645,909 | \$180,868,178 |
| Less estimated income                      | 121,951,679   | 15,094,783   | 137,046,462   |
| Total general fund                         | \$36,270,590  | \$7,551,126  | \$43,821,716  |
| Full-time equivalent positions             | 204.00        | 6.50         | 210.50"       |

Page 2, replace lines 11 and 12 with:

|  |   |            |
|--|---|------------|
| "Vital records system technology updates | 0 | 275,000    |
| Statewide health strategies initiative   | 0 | 3,000,000  |
| COVID-19 response                        | 0 | 9,262,341" |

Page 2, replace lines 14 through 16 with:

|                       |                  |                  |
|-----------------------|------------------|------------------|
| "Total all funds      | \$2,057,554      | \$13,447,341     |
| Less estimated income | <u>1,967,554</u> | <u>7,919,065</u> |
| Total general fund    | \$90,000         | \$5,528,276"     |

Page 2, replace lines 21 through 31 with:

**"SECTION 3. CONTINGENT FUNDING - STATEWIDE HEALTH STRATEGIES.** One-time funding of \$1,500,000 appropriated from the community health trust fund for statewide health strategies in section 1 of this Act is contingent on the state department of health securing dollar-for-dollar matching funds.

**SECTION 4. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act includes appropriation authority for the state department of health for the biennium beginning July 1, 2021, and ending June 30, 2023. On September 1, 2022, in accordance with provisions of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, the office of management and budget shall transfer remaining appropriation authority contained in section 1 of this Act, and any remaining appropriation authority for the state department of health in other bills approved by the sixty-seventh legislative assembly, to the department of health and human services. The appropriation authority in section 1 of this Act and appropriation authority for the state department of health from any other bill that is transferred to the department of health and human services must be maintained and reported separately from other appropriation authority transferred to the department of health and human services."

Page 3, line 5, replace "\$18,337,620" with "\$20,837,620"

Page 3, after line 13, insert:

|  |            |
|--|------------|
| "Forensic examiner contract            | 1,000,000  |
| Statewide health strategies initiative | 1,500,000" |

Page 3, replace line 17 with:

|                                    |              |
|------------------------------------|--------------|
| "Total community health trust fund | \$20,837,620 |
|------------------------------------|--------------|

**SECTION 7. TRANSFER TOBACCO PREVENTION AND CONTROL TRUST FUND TO COMMUNITY HEALTH TRUST FUND.** The office of management and budget shall transfer any moneys remaining in the tobacco prevention and control trust fund to the community health trust fund on July 1, 2021."

Page 4, after line 10, insert:

**"SECTION 9. AMENDMENT.** Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

**54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.**

- 4- There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Moneys in the fund must be transferred within thirty days of receipt by the state to a

community health trust fund. Moneys in the fund may be appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state.

2. ~~There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be used as appropriated by the legislative assembly.~~

**SECTION 10. AMENDMENT.** Section 61-02.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The priorities for the statewide water development program include municipal, rural, and industrial projects; irrigation projects; general water management projects, including rural flood control, snagging and clearing, channel improvement, recreation, and planning studies; flood control projects; and weather modification projects, which are authorized and declared to be in the public interest. The state water commission may provide the funds necessary to construct these projects from money appropriated to the state water commission from the resources trust fund, ~~the water development trust fund,~~ or by issuing bonds in an amount not to exceed sixty million dollars plus the costs of issuance of the bonds, capitalized interest, and reasonably required reserves. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this section.
2. If the state water commission determines it is appropriate to do so, it may, in lieu of issuing or in combination with the issuance of bonds pursuant to this section or section 61-02.1-01, for all or part of the state's cost share for the projects set forth in those provisions, use funds appropriated to it from the resources trust fund ~~or the water development trust fund.~~

**SECTION 11. AMENDMENT.** Section 61-02.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**61-02.1-04. Bonds payable from appropriations and other revenues.**

1. Principal and interest on bonds issued for flood control or reduction projects as provided in this chapter are payable from transfers to be made and appropriated by the legislative assembly from ~~the water development trust fund as provided in section 61-02.1-05,~~ then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of flood control or reduction projects to pay bonds issued for that project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by

- the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.
2. Principal and interest on bonds issued for continued construction of the southwest pipeline project are payable from ~~transfers to be made and appropriated by the legislative assembly from the water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, or from payment from the Perkins County rural water system, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of the southwest pipeline project to pay bonds issued for the project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.~~ transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.
  3. Principal and interest on bonds issued under subsection 7 of section 61-02.1-01 are payable from transfers to be made and appropriated by the legislative assembly from the ~~water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of an outlet to Devils Lake to pay bonds issued for that project, or financing a statewide water development program to pay bonds issued for that project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.~~ water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose, including any federal moneys received by the state for the construction of an outlet to Devils Lake to pay bonds issued for that project, or financing a statewide water development program to pay bonds issued for that project. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.
  4. Obligations issued as provided in this chapter do not constitute a debt, liability, or obligation of the state of North Dakota or a pledge of the faith and credit of the state of North Dakota, but are payable solely from the sources as described in this chapter.
  5. The state water commission shall include in its submission to the governor for inclusion by the governor in the biennial executive budget of the state for each year of the respective biennium during the term of any bonds issued as provided in this chapter an amount fully sufficient to pay the principal and interest required to be paid in each year of the biennium, if any, from moneys from non-general fund sources. Provided, that should the governor not include in the executive budget for any reason the amounts required to be included by this section, the state water commission shall request independently that the legislative assembly amend the executive budget appropriation so as to include the amounts.

6. Principal and interest on bonds issued for projects authorized pursuant to section 61-02.1-02.1 are payable from transfers to be made and appropriated by the legislative assembly from the water development trust fund as provided in section 61-02.1-05, then from transfers to be made and appropriated by the legislative assembly from revenues in the resources trust fund other than revenues from state taxes, then from appropriations of other available revenues in the then current biennium, and then from any other revenues the state water commission makes available during the then current biennium for that purpose. If sufficient funds from these sources are not available, then from transfers to be made and appropriated by the legislative assembly from the first available current biennial earnings of the Bank of North Dakota not to exceed six million five hundred thousand dollars per biennium prorated with any other bonds payable from transfers to be made and appropriated by the legislative assembly from the available current biennial earnings of the Bank of North Dakota, to be credited by the trustee to the fund established for paying principal and interest on the bonds under a trust indenture.

**SECTION 12. AMENDMENT.** Section 510 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**SECTION 510. LEGISLATIVE INTENT.** It is the intent of the sixty-seventh legislative assembly that:

1. Effective September 1, 2022, the state department of health merge into the department of human services and both agencies be called the department of health and human services;
2. Effective September 1, 2022, the state department of health, including the state health officer, fall under the authority of the executive director of the department of human services, now known as the executive director of the department of health and human services;
3. During the 2021-23 biennium, the executive director of the former department of human services review and reorganize the structure of the former department of human services to incorporate the former state department of health and to find efficiencies in the newly formed department of health and human services;
4. The newly formed department of health and human services is not required to reduce the full time equivalent positions of the former state department of health and department of human services;
5. The office of management and budget transfer the state department of health's appropriation into the department of human services appropriation for the period beginning September 1, 2022, and ending June 30, 2023;
6. Section 1 of Senate Bill No. 2004, as approved by the sixty-seventh legislative assembly, shall transfer into subdivisions 1 and 2 of section 1 of House Bill No. 1012, as approved by the sixty-seventh legislative assembly, for the period beginning September 1, 2022, and ending June 30, 2023;
7. The combined budget of the department of human services and state department of health be referred to the budget of the department of health and human services; and
- 8-6. Department of health and human services is to be substituted for, shall take any action previously to be taken by, and shall perform any duties previously to be performed by the state department of health.

**SECTION 13. REPEAL.** Sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code are repealed.

**SECTION 14. LEGISLATIVE INTENT - FUNDING FOR COVID-19 RESPONSE.** It is the intent of the sixty-seventh legislative assembly that the state department of health use federal COVID-19 funds or other available funds for defraying expenses related to local public health pandemic response grants before accessing \$4,515,296 appropriated from the community health trust fund in section 1 of this Act."

Page 4, after line 20, insert:

**"SECTION 16. EMERGENCY.** The sum of \$350,000, of which \$221,231 is from the general fund and \$128,769 is from federal funds, appropriated in section 1 of this Act for an electronic medical record system is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Department of Health - Conference Committee Action**

|                             | Base Budget   | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------------|---------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Salaries and wages          | \$37,719,574  | \$41,243,222   | \$119,746                    | \$41,362,968                 | \$41,362,968  |                     |
| Operating expenses          | 32,398,526    | 30,334,543     | 1,243,000                    | 31,577,543                   | 31,577,543    |                     |
| Capital assets              | 2,164,813     | 2,646,393      |                              | 2,646,393                    | 2,646,393     |                     |
| Grants                      | 53,257,292    | 55,249,145     |                              | 55,249,145                   | 55,249,145    |                     |
| Tobacco prevention          | 12,902,064    | 13,410,241     | (219)                        | 13,410,022                   | 13,410,022    |                     |
| WIC food payments           | 19,780,000    | 19,900,000     |                              | 19,900,000                   | 19,900,000    |                     |
| Statewide health strategies |               |                | 3,000,000                    | 3,000,000                    | 3,000,000     |                     |
| COVID-19                    |               | 106,813,177    | (93,091,070)                 | 13,722,107                   | 13,446,460    | \$275,647           |
| COVID-19 line of credit     |               | 25,000,000     | (25,000,000)                 |                              | 25,000,000    | (25,000,000)        |
| Total all funds             | \$158,222,269 | \$294,596,721  | (\$113,728,543)              | \$180,868,178                | \$205,592,531 | (\$24,724,353)      |
| Less estimated income       | 121,951,679   | 250,529,471    | (113,483,009)                | 137,046,462                  | 161,999,495   | (24,953,033)        |
| General fund                | \$36,270,590  | \$44,067,250   | (\$245,534)                  | \$43,821,716                 | \$43,593,036  | \$228,680           |
| FTE                         | 204.00        | 212.50         | (2.00)                       | 210.50                       | 207.50        | 3.00                |

**Department 301 - State Department of Health - Detail of Conference Committee Changes**

|                             | Adjusts Funding for Salary Increases <sup>1</sup> | Increases Funding for State Health Officer's Salary <sup>2</sup> | Removes COVID-19 FTE Positions and Temporary Salaries <sup>3</sup> | Removes Funding for Clinical Laboratory Improvement Amendment (CLIA) Director <sup>4</sup> | Increases Funding for the UND Forensic Examiner Contract <sup>5</sup> | Adjusts Funding Source of Snow Removal Tractor <sup>6</sup> |
|-----------------------------|---|--|--|--|---|---|
| Salaries and wages          | (\$12,254)  | \$132,000  |  |  |   |   |
| Operating expenses          |   |  |  | (\$32,000)   | \$1,000,000   |   |
| Capital assets              |   |  |  |  |   |   |
| Grants                      |   |  |  |  |   |   |
| Tobacco prevention          | (219)   |  |  |  |   |   |
| WIC food payments           |   |  |  |  |   |   |
| Statewide health strategies |   |  |  |  |   |   |
| COVID-19                    | 4,068   |  | (\$1,003,070)  |  |   |   |
| COVID-19 line of credit     |   |  |  |  |   |   |
| Total all funds             | (\$8,405)   | \$132,000  | (\$1,003,070)  | (\$32,000)   | \$1,000,000   | \$0   |
| Less estimated income       | 49,160  | 132,000  | (1,003,070)  | (12,800)   | 1,000,000   | 40,000  |
| General fund                | (\$57,565)  | \$0  | \$0  | (\$19,200)   | \$0   | (\$40,000)  |
| FTE                         | 0.00  | 0.00   | (2.00)   | 0.00   | 0.00  | 0.00  |



|                             | Adjusts One-Time Funding for Electronic Medical Records <sup>7</sup> | Adds One-Time Funding for Vital Records System Technology Updates <sup>8</sup> | Adds One-Time Funding for Statewide Health Strategies <sup>9</sup> | Removes Federal COVID-19 Funding <sup>10</sup> | Removes COVID-19 Line of Credit <sup>11</sup> | Total Conference Committee Changes |
|-----------------------------|--|--|--|--|---|------------------------------------|
| Salaries and wages          |  |  |  |  |   | \$119,746                          |
| Operating expenses          |  | \$275,000  |  |  |   | 1,243,000                          |
| Capital assets              |  |  |  |  |   |                                    |
| Grants                      |  |  |  |  |   |                                    |
| Tobacco prevention          |  |  |  |  |   | (219)                              |
| WIC food payments           |  |  |  |  |   |                                    |
| Statewide health strategies |  |  | \$3,000,000  |  |   | 3,000,000                          |
| COVID-19                    |  |  |  | (\$92,092,068)                                 |   | (93,091,070)                       |
| COVID-19 line of credit     |  |  |  |  | (\$25,000,000)                                | (25,000,000)                       |
| Total all funds             | \$0  | \$275,000  | \$3,000,000  | (\$92,092,068)                                 | (\$25,000,000)                                | (\$113,728,543)                    |
| Less estimated income       | 128,769  | 275,000  | 3,000,000  | (92,092,068)                                   | (25,000,000)                                  | (113,483,009)                      |
| General fund                | (\$128,769)  | \$0  | \$0  | \$0  | \$0   | (\$245,534)                        |
| FTE                         | 0.00   | 0.00   | 0.00   | 0.00   | 0.00  | (2.00)                             |

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

<sup>2</sup> Funding from federal funds is added to increase the State Health Officer's salary, the same as the House version.

<sup>3</sup> Two FTE positions in Group 1 of the department's prioritization list are removed to provide 10.5 FTE positions for COVID-19, including the 7.5 FTE highest priority positions and 3 FTE positions from Group 1 of the department's prioritization list. The Senate provided 12.5 FTE positions, including the 7.5 FTE highest priority positions and all 5 FTE positions from Group 1 of the department's prioritization list. The House removed 5 FTE positions to provide the 7.5 FTE highest priority positions.

In addition, funding is removed for 5 temporary positions in Group 3 of the department's prioritization list and funding for 2 FTE positions removed in Group 1 of the department's prioritization list was converted to funding for 2 temporary positions to provide funding for 7 temporary positions, including funding for 2 temporary positions from Group 1 of the department's prioritization list and 5 temporary positions from Group 2 of the department's prioritization list. The Senate provided funding for 10 temporary positions, including all of the positions in both Groups 2 and 3 of the department's prioritization list. The House provided funding for 7 temporary positions, including 5 temporary positions from Group 1 of the department's prioritization list and 2 temporary positions from Group 2 of the department's prioritization list.

Funding for COVID-19 response is added to the COVID-19 line item in the department's budget as follows:

|   | General Fund | Special Funds | Total        |
|---|--------------|---------------|--------------|
| 10.5 FTE positions                            | \$354,335    | \$1,481,966   | \$1,836,301  |
| 7 temporary positions                         | 436,497      | 948,882       | 1,385,379    |
| Other operating expenses                      | 3,668,934    | 3,177,246     | 6,846,180    |
| Total   | \$4,459,766  | \$5,608,094   | \$10,067,860 |
| Federal funding in HB 1394                    | 0            | (5,608,094)   | (5,608,094)  |
| Ongoing funding in SB 2004 COVID-19 line item | \$4,459,766  | \$0           | \$4,459,766  |

The 10.5 FTE positions added include:

|   | General<br>Fund | Special<br>Funds | Total          |
|---|-----------------|------------------|----------------|
| 1.00 FTE research analyst IV position - Fiscal and Operations                           | \$133,785       | \$85,795         | \$219,580      |
| 1.00 FTE account/budget specialist II position - Fiscal and Operations                  | 0               | 172,724          | 172,724        |
| 1.00 FTE research analyst II position - Fiscal and Operations                           | 68,600          | 85,796           | 154,396        |
| 1.00 FTE health/human services program administrator III position -<br>Medical Services | 0               | 181,448          | 181,448        |
| 1.00 FTE epidemiologist II position - Medical Services                                  | 0               | 186,628          | 186,628        |
| 1.00 FTE health/human services program administrator III position -<br>Medical Services | 0               | 181,448          | 181,448        |
| 1.00 FTE administrative staff officer III position - Healthy and Safe<br>Communities    | 0               | 171,376          | 171,376        |
| 0.50 FTE senior microbiologist position - Laboratory Services                           | 0               | 135,494          | 135,494        |
| 1.00 FTE administrative assistant I position - Laboratory Services                      | 0               | 135,691          | 135,691        |
| 1.00 FTE laboratory technician I position - Laboratory Services                         | 0               | 145,566          | 145,566        |
| 1.00 FTE administrative staff officer II position - Health Resources                    | <u>151,950</u>  | <u>0</u>         | <u>151,950</u> |
| 10.50   | \$354,335       | \$1,481,966      | \$1,836,301    |

<sup>4</sup> Funding for professional fees for the department to contract for a part-time CLIA director is removed, the same as the House version. The Senate and House added a .5 FTE position to serve as the CLIA director.

<sup>5</sup> Funding from the community health trust fund is added to increase operating expenses related to the University of North Dakota forensic examiner contract, the same as the House version, to provide a total of \$1,625,270, of which \$625,270 is from the general fund.

<sup>6</sup> The funding source of a snow removal tractor is adjusted from the general fund to federal funds, the same as the House version.

<sup>7</sup> A portion of the one-time funding for an electronic medical records system is adjusted from the general fund to federal funds, the same as the House version, to provide total one-time funding of \$350,000, of which \$221,231 is from the general fund and \$128,769 is from federal funds.

<sup>8</sup> One-time funding from special funds available from fees is added for operating expenses related to updating vital records system technology, the same as the House version.

<sup>9</sup> One-time funding of \$3 million, of which \$1.5 million is from the community health trust fund, is added for a statewide health strategies initiative, the same as the House version. A section is also added, the same as the House version, to provide funding from the community health trust fund is contingent on the department securing dollar-for-dollar matching funds.

<sup>10</sup> Federal funding provided in the COVID-19 line item is removed, the same as the House version, because it is appropriated in House Bill No. 1394.

<sup>11</sup> A section in the bill allowing the State Department of Health to borrow up to \$25 million from the Bank of North Dakota for responding to the COVID-19 public health emergency is removed. This section and borrowing authority was included in the Senate and House versions.

This amendment also:

- Adds a section to provide, in accordance with House Bill No. 1247, the Office of Management and Budget transfer remaining appropriation authority contained in Senate Bill No. 2004 and any remaining appropriation authority for the State Department of Health in other bills to the Department of Health and Human Services. The appropriation authority transferred to the Department of Health and Human Services must be maintained and reported separately from other appropriation authority transferred to the Department of Health and Human Services. This section was not included in the Senate or House versions;
- Adds a section to provide the Office of Management and Budget transfer any money remaining in the tobacco prevention and control trust fund to the community health trust fund on July 1, 2021. This section was not included in the Senate or House versions;
- Adds a section to amend North Dakota Century Code Section 54-27-25 to remove the tobacco prevention and control trust fund. This section was not included in the Senate or House versions;
- Adds a section to amend Section 61-02.1-02.1 to remove the water development

trust fund as a funding source for State Water Commission projects. This section was not included in the Senate or House versions;

- Adds a section to amend Section 61-02.1-04 to remove the water development trust fund as a funding source for bond repayment. This section was not included in the Senate or House versions;
- Adds a section to amend Section 510 of House Bill No. 1247, as approved by the 67<sup>th</sup> Legislative Assembly, related to legislative intent regarding the merger of the State Department of Health and the Department of Human Services into the Department of Health and Human Services to remove subsections 5 and 6 of the section related to the transfer of State Department of Health appropriations to the Department of Health and Human Services. This section was not included in the Senate or House versions;
- Adds a section to repeal Sections 54-27-25.1 and 61-02.1-05 related to water development trust fund expenditures and the water development trust fund. This section was not included in the Senate or House versions;
- Adds a section of legislative intent that the department use federal funding available for COVID-19 before using the \$4,515,296 made available from the community health trust fund for local public health pandemic response grants, the same as the House version; and
- Adds a section to provide \$350,000, of which \$221,231 is from the general fund and \$128,769 is from federal funds, appropriated for an electronic medical record system is declared to be an emergency measure. This section was not included in the Senate or House versions.

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

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

**SEN. SORVAAG MOVED** that the conference committee report on Engrossed SB 2004 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2004, as amended, was placed on the Eleventh order of business.

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

**SB 2004:** A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact sections 23-01-02, 54-27-25, 61-02.1-02.1, 61-02.1-04 of the North Dakota Century Code and section 510 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, relating to compensation of members of the health council, the tobacco settlement trust fund, statewide water development project funding, bonds payable, and the transfer of appropriation authority to the department of health and human services; to repeal sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code, relating to water development trust fund expenditures and the water development trust fund; to provide for a transfer; to provide a statement of legislative intent; to provide for a report; to provide for a legislative management study; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 41 YEAS, 6 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Erbele; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner; Weber

**NAYS:** Elkin; Fors; Heitkamp; Larsen, D.; Larsen, O.; Wobbema

Reengrossed SB 2004 passed and the emergency clause was declared carried.

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

**HB 1465, as engrossed:** Your conference committee (Sens. Anderson, Lee, Hogan and

Reps. Westlind, Beltz, Weisz) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1513, adopt amendments as follows, and place HB 1465 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1513 and 1514 of the House Journal and pages 1256 and 1257 of the Senate Journal and that Engrossed House Bill No. 1465 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 23-12 of the North Dakota Century Code, relating to vaccine information; to amend and reenact section 26.1-36-09.15 of the North Dakota Century Code, relating to coverage of telehealth services; to provide for a legislative management study; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 23-12 of the North Dakota Century Code is created and enacted as follows:

**Vaccine and infection information.**

1. Except as provided under sections 15.1-23-02, 23-01-05.3, and 23-07-17.1, neither a state government entity nor any of its subdivisions, agents, or assigns may:
  - a. Require documentation, whether physical or electronic, for the purpose of certifying or otherwise communicating the following before providing access to state property, funds, or services:
    - (1) An individual's vaccination status;
    - (2) The presence of pathogens, antigens, or antibodies; or
    - (3) An individual's post-transmission recovery status;
  - b. Otherwise publish or share an individual's vaccination record or similar health information, except as specifically authorized by the individual or otherwise authorized by statute; or
  - c. Require a private business to obtain documentation, whether physical or electronic, for purposes of certifying or otherwise communicating the following before employment or providing access to property, funds, or services based on:
    - (1) An individual's vaccination status;
    - (2) The presence of pathogens, antigens, or antibodies; or
    - (3) An individual's post-transmission recovery status.
2. A private business located in this state may not require a patron or customer to provide any documentation certifying vaccination or post-transmission recovery to gain access to, entry upon, or services from the business. This subsection does not apply to a health care provider including a long-term care provider.
3. This section may not be construed to interfere with an individual's rights to access that individual's own personal health information or with a person's right to access personal health information of others which the person otherwise has a right to access.
4. Subsection 1 is not applicable to the state board of higher education, the university system, or institutions under the control of the state board of higher education to the extent the entity has adopted policies and procedures governing the type of documentation required, the

circumstances under which such documentation may be shared, and exemptions from providing such documentation.

5. This section is not applicable during a public health disaster or emergency declared in accordance with chapter 37-17.1.
6. This section is limited in application to a vaccination authorized by the federal food and drug administration pursuant to an emergency use authorization.

**SECTION 2. AMENDMENT.** Section 26.1-36-09.15 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-36-09.15. Coverage of telehealth services.**

1. As used in this section:
  - a. "Distant site" means a site at which a health care provider or health care facility is located while providing medical services by means of telehealth.
  - b. "E-visit" means a face-to-face digital communication initiated by a patient to a provider through the provider's online patient portal.
  - c. "Health care facility" means any office or institution at which health services are provided. The term includes hospitals; clinics; ambulatory surgery centers; outpatient care facilities; nursing homes; nursing, basic, long-term, or assisted living facilities; laboratories; and offices of any health care provider.
  - e-d. "Health care provider" includes an individual licensed under chapter 43-05, 43-06, 43-12.1 as a registered nurse or as an advanced practice registered nurse, 43-13, 43-15, 43-17, 43-26.1, 43-28, 43-32, 43-37, 43-40, 43-41, 43-42, 43-44, 43-45, 43-47, 43-58, or 43-60.
  - d-e. "Nonpublic facing product" means a remote communication product that, as a default, allows only the intended parties to participate in the communication.
  - f. "Originating site" means a site at which a patient is located at the time health services are provided to the patient by means of telehealth.
  - e-g. "Policy" means an accident and health insurance policy, contract, or evidence of coverage on a group, individual, blanket, franchise, or association basis.
  - f-h. "Secure connection" means a connection made using a nonpublic facing remote communication product that employs end-to-end encryption, and which allows only an individual and the person with whom the individual is communicating to see what is transmitted.
  - i. "Store-and-forward technology" means electronic information, imaging, and communication that is transferred, recorded, or otherwise stored in order to be reviewed at a distant site at a later date by a health care provider or health care facility without the patient present in real time. The term includes telehome monitoring and interactive audio, video, and data communication.
  - g-j. "Telehealth":
    - (1) Means the use of interactive audio, video, or other telecommunications technology that is used by a health care provider or health care facility at a distant site to deliver health

services at an originating site and that is delivered over a secure connection that complies with the requirements of state and federal laws.

- (2) Includes the use of electronic media for consultation relating to the health care diagnosis or treatment of a patient in real time or through the use of store-and-forward technology.
  - (3) Does not include the use of ~~audio-only telephone, electronic mail, or facsimile transmissions, or audio-only telephone unless for the purpose of e-visits or a virtual check-in.~~
- k. "Virtual check-in" means a brief communication via telephone or other telecommunications device to decide whether an office visit or other service is needed.
2. An insurer may not deliver, issue, execute, or renew a policy that provides health benefits coverage unless that policy provides coverage for health services delivered by means of telehealth which is the same as the coverage for health services delivered by in-person means.
  3. Payment or reimbursement of expenses for covered health services delivered by means of telehealth under this section may be established through negotiations conducted by the insurer with the health services providers in the same manner as ~~the insurer with the health services providers in the same manner as~~ the insurer establishes payment or reimbursement of expenses for covered health services that are delivered by in-person means.
  4. Coverage under this section may be subject to deductible, coinsurance, and copayment provisions.
  5. This section does not require:
    - a. A policy to provide coverage for health services that are not medically necessary, subject to the terms and conditions of the policy;
    - b. A policy to provide coverage for health services delivered by means of telehealth if the policy would not provide coverage for the health services if delivered by in-person means;
    - c. A policy to reimburse a health care provider or health care facility for expenses for health services delivered by means of telehealth if the policy would not reimburse that health care provider or health care facility if the health services had been delivered by in-person means; or
    - d. A health care provider to be physically present with a patient at the originating site unless the health care provider who is delivering health services by means of telehealth determines the presence of a health care provider is necessary.

### **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - HEALTH INSURANCE NETWORKS.**

1. During the 2021-22 interim, the legislative management shall consider studying health insurance networks, including narrow networks. The study must include:
  - a. Consideration of the use and regulation of broad and narrow networks in the state by individuals and employers, the sales and marketing of broad and narrow networks, opportunities for consumer choice-of-provider, and premium differentials among states with choice-of-provider laws;

- b. A review of legislative and court history regarding the impact of choice-of-provider laws on exclusive provider organizations and preferred provider organizations and how choice-of-provider laws apply to risk-pooled health plans regulated by the federal Employee Retirement Income Security Act of 1974;
  - c. The impact of the consolidation of the health care market on consumer cash prices, insurance plan deductibles and premiums prices, and consumer options;
  - d. A comparison of health maintenance organizations provider network designs and other health insurer provider network designs;
  - e. A review of how vertical integrated networks utilize HMO plans; and
  - f. A comparison of premiums of health benefit plans offered in the individual and small group markets in relation to the provider network design associated with those plans along with the growth of value-based purchasing.
2. The legislative management shall report its finding and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

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

Renumber accordingly

Engrossed HB 1465 was placed on the Seventh order of business on the calendar.

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

**SEN. LEE MOVED** that the conference committee report on Engrossed HB 1465 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1465, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1465:** A BILL for an Act to create and enact a new section to chapter 23-12 of the North Dakota Century Code, relating to vaccine information; to amend and reenact section 26.1-36-09.15 of the North Dakota Century Code, relating to coverage of telehealth services; to provide for a legislative management study; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lee; Lemm; Luick; Meyer; Myrdal; Oban; Oehlke; Patten; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner; Weber; Wobbema

**NAYS:** Marcellais; Mathern; Piepkorn

Engrossed HB 1465, as amended, passed and the emergency clause was declared carried.

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

**HB 1453, as engrossed:** Your conference committee (Sens. Meyer, K. Roers, Marcellais and Reps. Vigesaa, Howe, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1605, adopt amendments as follows, and place HB 1453 on the Seventh order:

That the Senate recede from its amendments as printed on page 1605 of the House Journal and page 1339 of the Senate Journal and that Engrossed House Bill No. 1453 be amended as follows:

Page 6, line 4, overstrike "Working" and insert immediately thereafter:

"1. Except as provided in this section, working"

Page 6, line 8, overstrike "A" and insert immediately thereafter:

"2. Except as provided in subsection 3, a"

Page 6, remove line 9

Page 6, line 10, remove "audits which is"

Page 6, line 12, remove "public information. Any other"

Page 6, remove lines 13 and 14

Page 6, line 15, replace "committee at which time the audit report becomes public information" with "an open record."

3. Except as provided in this subsection, a draft audit report for an audit completed in accordance with performance auditing standards contained in government auditing standards issued by the comptroller general of the United States to provide an independent assessment of the performance and management of a program released to the governing body or management of the audited entity is confidential until the final version of the audit report is an open record. After the auditor receives the audited entity's response to the draft report, the auditor shall complete the audit report, which is then deemed a preliminary audit report. The auditor shall provide the preliminary audit report and the audited entity's response to the legislative audit and fiscal review committee for a seven-day review period, except the auditor may not provide any information that is confidential under subsection 2 of section 54-10-25. During the review period, the preliminary audit report and the response may not be provided to any other person except by the legislative audit and fiscal review committee as necessary to perform the committee's duties as described in section 54-35-02.2. At the end of the review period, the preliminary audit report is deemed a final audit report, and the final audit report and the audited entity's response are open records. Reports for audits performed under subdivision f of subsection 1 of section 54-10-01 or subdivision a of subsection 2 of section 54-10-01 are not subject to this subsection"

Page 6, line 15, after the period insert:

"4."

Page 6, line 17, overstrike "public. At the discretion of the state auditor," and insert immediately thereafter "open records unless the state auditor declares"

Page 6, line 18, overstrike "of"

Page 6, line 18, remove "a publicly available"

Page 6, line 18, overstrike "audit report may be declared"

Renumber accordingly

Engrossed HB 1453 was placed on the Seventh order of business on the calendar.

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

**SEN. K. ROERS MOVED** that the conference committee report on Engrossed HB 1453 be



adopted, which motion prevailed on a voice vote.

Engrossed HB 1453, as amended, was placed on the Fourteenth order of business.

### SECOND READING OF HOUSE BILL

**HB 1453:** A BILL for an Act to create and enact a new section to chapter 54-10 and a new section to chapter 54-35 of the North Dakota Century Code, relating to protections for individuals who report potential violations of law and the legislative audit and fiscal review committee; and to amend and reenact subsection 1 of section 34-11.1-04, section 54-10-01, 54-10-26, and section 54-35-02.2 of the North Dakota Century Code, relating to protections for public employees who report potential violations of law, the powers and duties of the state auditor, state auditor working papers, and the legislative audit and fiscal review committee.

### 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; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner; Weber; Wobbema

Engrossed HB 1453, as amended, passed.

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### REPORT OF CONFERENCE COMMITTEE

**SB 2018, as engrossed:** Your conference committee (Sens. Bekkedahl, Holmberg, Heckaman and Reps. Nathe, Martinson, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1581-1587, adopt amendments as follows, and place SB 2018 on the Seventh order:

That the House recede from its amendments as printed on pages 1581-1587 of the Senate Journal and pages 1827-1833 of the House Journal and that Engrossed Senate Bill No. 2018 be amended as follows:

Page 1, line 5, replace "section" with "sections 54-34.3-13 and"

Page 1, line 6, after the first "to" insert "the rural growth incentive program and"

Page 1, line 8, remove "and"

Page 1, line 9, after "exemption" insert "; to provide a statement of legislative intent; to provide for a legislative management study; and to declare an emergency"

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 4 with:

|                                      |                   |                   |                   |
|--------------------------------------|-------------------|-------------------|-------------------|
| "Salaries and wages                  | \$13,217,286      | (\$381,855)       | \$12,835,431      |
| Operating expenses                   | 14,873,203        | 9,009,989         | 23,883,192        |
| Grants                               | 52,638,527        | 35,193,803        | 87,832,330        |
| Discretionary funds                  | 2,150,000         | 0                 | 2,150,000         |
| North Dakota trade office            | 1,600,000         | (1,600,000)       | 0                 |
| Partner programs                     | 1,562,531         | 0                 | 1,562,531         |
| Entrepreneurship grants and vouchers | <u>948,467</u>    | <u>0</u>          | <u>948,467</u>    |
| Total all funds                      | \$86,990,014      | \$42,221,937      | \$129,211,951     |
| Less estimated income                | <u>54,123,293</u> | <u>41,421,086</u> | <u>95,544,379</u> |
| Total general fund                   | \$32,866,721      | \$800,851         | \$33,667,572      |
| Full-time equivalent positions       | 61.80             | (3.00)            | 58.80"            |

Page 2, replace lines 15 through 25 with:

|  |                  |                   |
|--|------------------|-------------------|
| "Workforce safety grant                                    | 1,000,000        | 1,500,000         |
| Entrepreneurship grants and vouchers                       | 2,000,000        | 0                 |
| Sculpture maintenance grants                               | 75,000           | 0                 |
| Nonresident nurse employment recruitment                   | 500,000          | 0                 |
| Intermodal container transportation shipping fees          | 1,300,000        | 0                 |
| Job development and economic growth grant                  | 25,000           | 1,500,000         |
| Tourism marketing  | 0                | 7,000,000         |
| Technical skills training grants                           | 0                | 1,000,000         |
| Motion picture production and recruitment grant            | 0                | 100,000           |
| Travel agent and tour operator emergency resiliency grants | 0                | 2,000,000         |
| Event center emergency resiliency grants                   | 0                | 2,000,000         |
| Tourism transportation improvement grant                   | 0                | <u>565,432</u>    |
| Total all funds  | \$11,625,000     | \$44,165,432      |
| Less estimated income                                      | <u>4,300,000</u> | <u>42,000,000</u> |
| Total general fund   | \$7,325,000      | \$2,165,432"      |

Page 3, line 2, replace "11" with "14"

Page 3, line 3, replace "\$28,000,000" with "\$5,000,000"

Page 3, line 4, remove "tower"

Page 3, line 7, remove "tower"

Page 3, after line 20, insert:

**"SECTION 6. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT.** The grants line item in section 1 of this Act includes \$250,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis."

Page 3, line 23, replace "\$26,000,000" with "\$29,000,000"

Page 3, line 24, replace "and" with a comma

Page 3, line 25, after "grants" insert ", \$1,500,000 is for a job development grant to an organization dedicated to promoting job development and economic growth, and \$1,500,000 is for a workforce safety grant to an organization that provides workforce safety"

Page 3, after line 25, insert:

**"SECTION 8. ESTIMATED INCOME - FEDERAL CORONAVIRUS RELIEF FUND - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$12,000,000 from the federal coronavirus relief fund, which is provided for the purposes identified in this section. The department of commerce shall establish guidelines for awarding funding under this section. This funding is considered a one-time funding item and is available for the following:

1. \$7,000,000 for tourism marketing and branding initiatives, of which \$6,565,432 is for tourism marketing and branding operating expenses and \$434,568 is for the tourism transportation improvement grant program for a grant to be provided to an organization dedicated to preserving and promoting a historic, tourism destination North Dakota city.
2. \$1,000,000 for technical skills training grants.
3. \$2,000,000 for travel agent and tour operator emergency resiliency grants. Grants may be awarded only to travel agents that book commission-based travel for private individuals or companies, tour

companies that schedule tour details and itineraries in North Dakota, or transportation companies providing transportation services to tour planners for tours originating in North Dakota or operators bringing tours into North Dakota. The department of commerce shall establish additional eligibility requirements for the program. The following organizations are ineligible for a grant under this subsection:

- a. National companies that provide travel services to individuals in North Dakota but do not employ at least one individual in the state;
  - b. Corporations with staff dedicated to purchasing and arranging travel for employees;
  - c. Military-based travel agents or other individuals employed by government entities; and
  - d. Organizations that only offer guided services and tours of their attraction.
4. \$2,000,000 for event center emergency resiliency grants."

Page 5, after line 6, insert:

**"SECTION 11. AMENDMENT.** Section 54-34.3-13 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-13. Rural growth incentive program.**

1. The department shall manage and administer the rural growth incentive program. A city with a population of less than two thousand five hundred may apply to the department to be designated as a rural growth incentive city. A rural growth incentive city may be eligible for a loan, grant, or both under this section.
2. The department shall designate an applicant city as a rural growth incentive city eligible for a loan if the city raises funds in the amount of a dollar-for-dollar match for the amount requested in the loan and meets any additional program requirements provided by rule. The source of city funds used for loan matching funds may be any combination of public and private funds. If the department designates a city as a rural growth incentive city eligible for a loan under this section, subject to the availability of funds, the state shall make a loan to the city in an amount not less than twenty-five thousand dollars and not more than seventy-five thousand dollars. The department shall establish the amount of the interest rate for loans provided to a city under this subsection. The funding source of the state loan is the North Dakota development fund. The city shall distribute the city and state funds to qualifying new or expanded ~~primary sector~~ businesses in the city. A qualifying business in the city includes a business that provides essential services to the city. For purposes of this subsection, a business that provides essential services does not include a public utility. The governing body of the city determines whether a new or expanded ~~primary sector~~ business qualifies for funding, and the director of the department determines whether a business that provides essential services to the city qualifies for funding. The state shall distribute a loan to a rural growth incentive city once the city establishes the city has chosen a specified qualified business to receive funding.
3. The department shall designate an applicant city as a rural growth incentive city eligible for a grant if the city raises funds in the amount of a dollar-for-dollar match for the amount requested in the grant application and meets any additional program requirements provided by rule. The source of city funds used for grant matching funds may be any combination of public and private funds. If the department designates a city as a rural growth incentive city eligible for a grant under this section,

subject to availability of funds, the state shall make a grant to the city in an amount not to exceed ten thousand dollars. The recipient rural growth incentive city shall use the grant money received to conduct a feasibility study for the location of a new business, including an expansion of a business with the primary place of business outside the rural growth incentive city. ~~The business under this subsection is not limited to primary sector businesses.~~ The funding source of the state grant is the North Dakota development fund. Total grants awarded by the department under this subsection may not exceed one hundred thousand dollars per biennium.

4. The city may not use city or state funds raised or provided under this section for costs associated with administering the rural growth incentive city. The department shall provide the rural growth incentive city with training to assist the city in expanding ~~primary sector~~ businesses, locating new businesses, and working with state economic development programs."

Page 5, line 23, replace "The amount of" with "Of the"

Page 5, line 25, replace "and" with ", up to \$5,000,000 of unexpended funds may be continued and"

Page 5, line 27, replace "\$28,000,000" with "\$5,000,000"

Page 5, line 28, remove "tower"

Page 6, remove lines 11 through 15

Page 6, line 28, after the period insert "Of this amount, up to \$200,000 must be used to retrain up to ten displaced energy industry workers to enhance programmer development and engineering skills."

**SECTION 19. LEGISLATIVE INTENT - NORTHERN PLAINS UNMANNED AIRCRAFT SYSTEM TEST SITE.** It is the intent of the sixty-seventh legislative assembly that the northern plains unmanned aircraft system test site maximize earned revenue to the extent possible while operating and conducting business of the test site.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - DATA STORAGE.** During the 2021-22 interim, the legislative management shall consider studying data storage by state entities. The study must include input from the information technology department, North Dakota university system, and kindergarten through grade twelve education coordination council. The study must consider data security, geographical locations of storage, geographical locations of corporate contractors, state and federal laws that may affect North Dakota data, ownership and control of data storage, and current and estimated data storage costs related to cloud-based, out-of-state data storage of North Dakota state and local government data. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 21. EMERGENCY.** The \$12,000,000 appropriated from the federal coronavirus relief fund, of which \$6,565,432 is in the operating expenses line item and \$5,434,568 is in the grants line item in section 1 and identified in sections 2 and 8, and the \$100,000 appropriated from the general fund for a motion picture production and recruitment grant in the grants line item in section 1 and identified in section 2 of this Act are declared to be an emergency measure."

ReNUMBER accordingly

**Statement of Purpose of amendment:**

**Senate Bill No. 2018 - Summary of Conference Committee Action**



|   | Adds One-Time<br>Funding for<br>Workforce Safety<br>Grant <sup>7</sup> | Adjusts One-<br>Time Funding to<br>the Coronavirus<br>Relief Fund <sup>8</sup> | Adds One-Time<br>Funding from the<br>Coronavirus<br>Relief Fund <sup>8</sup> | Adds One-Time<br>Funding for<br>Tourism<br>Transportation<br>Improvement<br>Grant <sup>10</sup> | Total Conference<br>Committee<br>Changes |
|---|--|--|--|---|--|
| Salaries and wages                      |  |  |  |   | (\$28,722)                               |
| Operating expenses                      |  | (\$434,568)  |  |   | (434,568)                                |
| Grants                                  | \$1,500,000  | 434,568  | \$4,000,000  | \$565,432   | 6,650,000                                |
| Discretionary funds                     |  |  |  |   | 600,000                                  |
| North Dakota Trade Office               |  |  |  |   |  |
| Entrepreneurship grants and<br>vouchers |  |  |  |   |  |
| Partner programs                        |  |  |  |   |  |
| Total all funds                         | \$1,500,000  | \$0  | \$4,000,000  | \$565,432   | \$6,786,710                              |
| Less estimated income                   | 1,500,000  | 8,000,000  | 4,000,000  | 0   | 14,996,312                               |
| General fund                            | \$0  | (\$8,000,000)  | \$0  | \$565,432   | (\$8,209,602)                            |
| FTE                                     | 0.00   | 0.00   | 0.00   | 0.00  | 0.00                                     |

<sup>1</sup> Salaries and wages funding is adjusted for salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 on July 1, 2021, and 2 percent on July 1, 2022.

<sup>2</sup> Funding of \$1.5 million from the general fund for the early childhood education program is removed in the Department of Commerce budget. The House and Senate have added \$1.5 million for this program in the Department of Human Services budget relating to the changes in House Bill No. 1466.

<sup>3</sup> Funding of \$50,000 is added from the general fund for rural health care grants to provide a total of \$250,000 from the general fund, the same as the House. The Senate provided \$200,000 from the general fund. A separate section is added to the bill requiring a dollar-for-dollar match.

<sup>4</sup> Funding of \$600,000 from the general fund, removed by the Senate, is restored to provide a total of \$2.15 million from the general fund in the discretionary funds line item, the same as the base level and as provided by the House. The Senate provided a total of \$1.55 million.

<sup>5</sup> One-time funding of \$100,000 is added from the general fund to provide a film and theater production grant directly to Canticle Productions, which is an organization dedicated to the preservation and honor of North Dakota land, history, and citizens, the same as provided by the House.

<sup>6</sup> One-time funding of \$1.5 million is added from the strategic investment and improvements fund to provide a job development and economic growth grant directly to the Cavalier County Job Development Authority, which is an organization dedicated to promoting job development and economic growth in the state, the same as provided by the House.

<sup>7</sup> One-time funding of \$1.5 million is added from the strategic investment and improvements fund to provide a workforce safety grant directly to the North Dakota Safety Council, which is an organization that provides workforce safety, the same as provided by the House.

<sup>8</sup> One-time funding of \$8 million, of which \$7 million is for tourism marketing and branding initiatives and \$1 million is for technical skills training grants, is removed from the general fund and added from the federal Coronavirus Relief Fund. Of the \$7 million for tourism marketing and branding initiatives, \$434,568 is for the tourism transportation improvement grant program and \$6,565,432 is for tourism marketing and branding initiative operating expenses. The \$434,568 for the tourism transportation improvement grant program is to be provided directly to the Theodore Roosevelt Medora Foundation, which is an organization dedicated to preserving and promoting a historic, tourism destination North Dakota city.

The House approved \$6.9 million for tourism marketing and branding operating expenses and \$1 million for technical skills training grants from the general fund. The Senate approved \$7 million for tourism marketing and branding operating expenses and \$1 million for technical skills training grants from the general fund.

<sup>9</sup> One-time funding of \$4 million is added from the federal Coronavirus Relief Fund, of which \$2 million is for travel agent and tour operator emergency resiliency grants and \$2 million is for event center emergency resiliency grants. A separate section of the bill is added to identify all funding from the federal Coronavirus Relief Fund. Funding from the federal Coronavirus Relief Fund is declared an emergency measure.

<sup>10</sup> One-time funding of \$565,432 is added from the general fund for a tourism transportation improvement grant to be provided directly to the Theodore Roosevelt Medora Foundation, which is an organization dedicated to preserving and promoting a historic, tourism destination North Dakota city, to provide a total of \$1,000,000 for the tourism transportation improvement grant program, including \$434,568 from the federal Coronavirus Relief Fund.

The Conference Committee version:

- Includes the transfer of 1 FTE information technology position and related funding to the Information Technology Department (ITD) for the information technology unification initiative, the same as the Senate. The House amendments did not transfer the FTE position to ITD.
- Does not include funding for an economic development, growth, and diversification grant program for providing grants for the operating costs of an event and entertainment venue used to promote the expansion of tourism and economic development and growth in the state. The House added a \$5 million general fund appropriation for this program.

This amendment also:

- Amends a section that provides an exemption for the \$28 million 2017-19 biennium supplemental appropriation for the beyond visual line of sight unmanned aircraft system (UAS) program that was continued into the 2019-21 biennium to continue into the 2021-23 biennium. The Department of Commerce may provide grants of up to \$5 million from this funding to the Department of Transportation for infrastructure construction of the beyond visual line of sight UAS program during the 2021-23 biennium. This section was included by the House. The Senate authorized the Department of Commerce to provide a grant of up to \$28 million to the Department of Transportation.
- Amends a section identifying \$29 million provided from the strategic investment and improvements fund in Section 1, the same as provided by the House. The Senate provided a total of \$26 million.
- Adds a section to amend North Dakota Century Code Section 54-34.3-13 to remove the requirement that businesses be "primary sector" businesses to qualify for the rural growth incentive program, which is administered by the North Dakota Development Fund in the rural growth incentive fund. The House included this section.
- Removes a section added by the Senate that provided an exemption to the Department of Commerce to continue 2019-21 biennium funding for the early childhood education program into the 2021-23 biennium. The House also removed this section. The Department of Commerce anticipates \$565,432 related to the early childhood education grant program will not be used and will be canceled at the end of the 2019-21 biennium. This amount is included in the 2021-23 biennium general fund beginning balance.
- Amends a section to require of the 2019-21 biennium funding in the discretionary funds line item the Department of Commerce is authorized to continue into the 2021-23 biennium, \$200,000 must be used retrain up to 10 displaced energy industry workers to enhance programmer development and engineering skills. The Senate and House authorized the exemption for the discretionary funds line time but did not previously provide a designation for the \$200,000.
- Adds a section of legislative intent that the Northern Plains UAS Test Site maximize earned revenue when possible. The House included this section.
- Adds a section providing for a Legislative Management study of data storage by state entities. The House included this section.
- Declares \$12 million appropriated from the federal Coronavirus Relief Fund for various programs and \$100,000 from the general fund for a motion picture

production and recruitment grant to be an emergency measure.

**Senate Bill No. 2018 - Department of Transportation - Conference Committee Action**

|                       | Base Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------|-------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Grants                |             | \$28,000,000   | (\$23,000,000)               | \$5,000,000                  | \$5,000,000   |                     |
| Total all funds       | \$0         | \$28,000,000   | (\$23,000,000)               | \$5,000,000                  | \$5,000,000   | \$0                 |
| Less estimated income | 0           | 28,000,000     | (23,000,000)                 | 5,000,000                    | 5,000,000     | 0                   |
| General fund          | \$0         | \$0            | \$0                          | \$0                          | \$0           | \$0                 |
| FTE                   | 0.00        | 0.00           | 0.00                         | 0.00                         | 0.00          | 0.00                |

**Department 801 - Department of Transportation - Detail of Conference Committee Changes**

|                       | Reduces One-Time Funding for UAS <sup>1</sup> | Total Conference Committee Changes |
|-----------------------|---|------------------------------------|
| Grants                | (\$23,000,000)                                | (\$23,000,000)                     |
| Total all funds       | (\$23,000,000)                                | (\$23,000,000)                     |
| Less estimated income | (23,000,000)                                  | (23,000,000)                       |
| General fund          | \$0   | \$0                                |
| FTE                   | 0.00  | 0.00                               |

<sup>1</sup> A separate section of the bill is amended to provide one-time funding of \$5 million to the Department of Transportation from grant funds received from the Department of Commerce pursuant to an exemption provided in the bill for infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium. The Senate provided one-time funding of \$28 million. The Conference Committee reduced this amount by \$23 million to reflect the most recent estimate of unspent funding the Department of Commerce will have available at the end of the 2019-21 biennium, the same as provided by the House.

Engrossed SB 2018 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. BEKKEDAHL MOVED** that the conference committee report on Engrossed SB 2018 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2018, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2018:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the department of transportation; to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to the transfer of the international business and trade office from the department of commerce to the agriculture commissioner; to amend and reenact sections 54-34.3-13 and 54-60-29 of the North Dakota Century Code, relating to the rural growth incentive program and the unmanned aircraft systems program fund; to repeal section 54-60-16 of the North Dakota Century Code, relating to the international business and trade office; to provide a continuing appropriation; to provide for a transfer; to provide for a report; to provide an exemption; to provide a statement of legislative intent; to provide for a legislative management study; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 35 YEAS, 12 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Davison; Dever; Dwyer; Erbele; Heckaman; Heitkamp; Hogan; Holmberg; Krebsbach; Kreun; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Patten; Poolman; Roers, J.; Roers, K.; Rust; Sorvaag; Veda; Wanzek; Wardner; Weber



**NAYS:** Conley; Elkin; Fors; Hogue; Kannianen; Klein; Larsen, D.; Larsen, O.; Oehlke; Piepkorn; Schaible; Wobbema

Reengrossed SB 2018 passed and the emergency clause was declared carried.

\*\*\*\*\*

#### MOTION

**SEN. KLEIN MOVED** that the Senate stand in recess until 5:00 p.m., which motion prevailed.

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

#### REPORT OF CONFERENCE COMMITTEE

**SB 2021, as engrossed:** Your conference committee (Sens. Davison, Oehlke, Heckaman and Reps. Kempenich, Mock, Howe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1492-1496, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1492-1496 of the Senate Journal and pages 1701-1706 of the House Journal and that Engrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 2, after the first semicolon insert "to amend and reenact section 54-59-05 as amended by section 5 of Senate Bill No. 2007, as approved by the sixty-seventh legislative assembly, and section 54-59-07 of the North Dakota Century Code, relating to the veterans' home information technology services and state information technology advisory committee; to repeal section 6 of Senate Bill No. 2016, as approved by the sixty-seventh legislative assembly, relating to the information technology unification initiative;"

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; to provide for a legislative management study; and to declare an emergency"

Page 1, remove lines 13 through 23

Page 2, replace lines 1 and 2 with:

|                                       |                    |                   |                    |
|---------------------------------------|--------------------|-------------------|--------------------|
| "Salaries and wages                   | \$81,374,501       | \$20,360,128      | \$101,734,629      |
| Operating expenses                    | 89,957,364         | 31,130,748        | 121,088,112        |
| Capital assets                        | 4,253,117          | (809,208)         | 3,443,909          |
| Statewide longitudinal data system    | 4,387,145          | 99,133            | 4,486,278          |
| Edutech                               | 9,645,773          | 46,166            | 9,691,939          |
| K-12 wide area network                | 5,167,970          | (488,252)         | 4,679,718          |
| Geographic information system         | 1,052,629          | 49,177            | 1,101,806          |
| Health information technology office  | 4,879,146          | 9,846,725         | 14,725,871         |
| Statewide interoperable radio network | <u>12,330,000</u>  | <u>1,863,796</u>  | <u>14,193,796</u>  |
| Total all funds                       | \$213,047,645      | \$62,098,413      | \$275,146,058      |
| Less estimated income                 | <u>195,882,334</u> | <u>50,287,771</u> | <u>246,170,105</u> |
| Total general fund                    | \$17,165,311       | \$11,810,642      | \$28,975,953       |
| Full-time equivalent positions        | 402.00             | 77.00             | 479.00"            |

Page 2, replace line 8 with:

|                |              |              |
|----------------|--------------|--------------|
| "Cybersecurity | \$15,400,000 | \$6,500,000" |
|----------------|--------------|--------------|

Page 2, replace lines 12 through 14 with:

|                       |                    |                   |
|-----------------------|--------------------|-------------------|
| "Total all funds      | \$136,550,000      | \$12,500,000      |
| Less estimated income | <u>125,150,000</u> | <u>12,500,000</u> |
| Total general fund    | \$11,400,000       | \$0"              |

Page 2, line 20, remove "**INFORMATION TECHNOLOGY DEPARTMENT**"

Page 2, line 21, replace "**OPERATING SERVICE**" with "**ELECTRONIC HEALTH INFORMATION EXCHANGE**"

Page 2, line 25, replace "information technology department operating service" with "electronic health information exchange"

Page 3, after line 6, insert:

**"SECTION 5. ESTIMATED INCOME - FEDERAL CORONAVIRUS RELIEF FUND.** The estimated income line item in section 1 of this Act includes the sum of \$6,500,000, or so much of the sum as may be necessary, from the federal coronavirus relief fund for cybersecurity operating expenses.

**SECTION 6. AMENDMENT.** Section 54-59-05 of the North Dakota Century Code, as amended by section 5 of Senate Bill No. 2007, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**54-59-05. Powers and duties of department. (Effective through July 31, 2023)**

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. With the exception of agreements entered related to the statewide interoperable radio network, an agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. With the exception of financing for the statewide interoperable radio network, the department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in

accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.

6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.
8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall

consult with the attorney general and the veterans' home on cybersecurity strategy.

17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

**Powers and duties of department. (Effective after July 31, 2023)**

The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education and the veterans' home.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the legislative assembly or the budget section if the legislative assembly is not in session before executing a financing agreement. Any request considered by the budget section must comply with section 54-35-02.9. If the legislative assembly or the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium.
5. Shall review requests for lease, purchase, or other contractual acquisition of information technology as required by this subsection. Each executive branch agency or institution, excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.

7. Shall request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency. The department shall present the information to the information technology committee on request of the committee.
8. May request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and five hundred thousand dollars as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.
9. Shall study emerging technology and evaluate its impact on the state's system of information technology.
10. Shall develop guidelines for reports to be provided by each agency of the executive, legislative, and judicial branches, excluding the institutions under the control of the board of higher education, on information technology in those entities.
11. Shall collaborate with the state board of higher education on guidelines for reports to be provided by institutions under control of the state board of higher education on information technology in those entities.
12. Shall perform all other duties necessary to carry out this chapter.
13. May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003.
14. Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities.
15. Notwithstanding subsection 13, may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.
16. Shall advise and oversee cybersecurity strategy for all executive branch state agencies, including institutions under the control of the state board of higher education, counties, cities, school districts, or other political subdivisions. For purposes of this subsection, the department shall consult with the attorney general ~~and the veterans' home~~ on cybersecurity strategy.
17. Shall advise and consult with the legislative and judicial branches regarding cybersecurity strategy.

**SECTION 7. AMENDMENT.** Section 54-59-07 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-07. State information technology advisory committee.**

The state information technology advisory committee consists of the chief information officer; the commissioner of higher education or the commissioner's designee; the attorney general or the attorney general's designee; the secretary of state or the secretary of state's designee; the tax commissioner or the

commissioner's designee; the chief justice of the supreme court or the chief justice's designee; two members of the legislative assembly appointed by the legislative management, of which one member must be the chairman of the information technology committee; a minimum of eight members representing state agencies, appointed by the governor; and two members with technology management expertise representing private industry, appointed by the governor. The appointees of the governor serve at the pleasure of the governor. ~~The governor shall designate the chairman~~chief information officer and chairman of the information technology committee shall serve as co-chairmen of the state information technology advisory committee. Additional members may be asked to participate at the request of the ~~chairman~~chairmen. The department shall provide staff services to the committee. The members of the committee representing private industry are entitled to be compensated for time spent in attendance at meetings of the committee and for other travel as approved by the ~~chairman~~chairmen of the committee at the rate of sixty-two dollars and fifty cents per day and are entitled to reimbursement for actual and necessary expenses incurred in the same manner as other state officials. The compensation and expenses are to be paid from appropriations for the department. The committee shall advise the department regarding statewide information technology planning and budgeting, services of the information technology department, and statewide information technology initiatives and policy and shall review reports on major information technology projects as required by this chapter and policies, standards, and guidelines developed by the department. The chief information officer shall submit recommendations of the committee regarding information technology issues to the information technology committee for its consideration.

**SECTION 8. REPEAL.** Section 6 of Senate Bill No. 2016, as approved by the sixty-seventh legislative assembly, is repealed."

Page 3, replace lines 12 through 17 with:

**"SECTION 10. INFORMATION TECHNOLOGY UNIFICATION - LEGISLATIVE INTENT - LEGISLATIVE MANAGEMENT REPORT.** The information technology department shall charge a state agency selected to participate in the 2021-23 biennium information technology unification initiative a rate for the labor of any full-time equivalent position transferred to the information technology department during the 2021-23 biennium, that may not exceed the salaries and wages and related operating expenses of the full-time equivalent position for services the respective state agency was performing prior to the 2021-23 biennium. It is the intent of the sixty-seventh legislative assembly that any full-time equivalent positions transferred to the information technology department for the 2021-23 biennium information technology unification initiative be transferred to the agency employing the positions during the 2019-21 biennium, unless the sixty-eighth legislative assembly is presented with sufficient evidence of efficiencies gained and cost-savings realized by the state as a result of the 2021-23 biennium information technology unification initiative. During the 2021-22 interim, the information technology department shall report annually to the legislative management regarding any efficiencies gained and cost-savings realized as a result of the 2021-23 biennium information technology unification initiative.

**SECTION 11. LEGISLATIVE INTENT - PHONE EQUIPMENT.** It is the intent of the sixty-seventh legislative assembly that the information technology department:

1. Supply at least one physical phone in each state agency;
2. Give state agencies the option of having a physical phone for each employee in the agency; and
3. Allow the head of each agency to determine the number of phones provided to the agency.

**SECTION 12. LEGISLATIVE INTENT - LEGISLATIVE MANAGEMENT STUDY - INFORMATION TECHNOLOGY DIRECTION.** It is the intent of the sixty-seventh legislative assembly that the information technology department provide direction to executive branch agencies regarding information technology

strategic planning and operations during the biennium beginning July 1, 2021, and ending June 30, 2023. During the 2021-22 interim, the legislative management shall consider studying the feasibility and desirability of the legislative branch and judicial branch receiving strategic planning and operational information technology direction from the information technology department beginning in the 2023-25 biennium. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 13. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENT INFORMATION TECHNOLOGY BUDGETING AND APPROPRIATION PROCESS.** During the 2021-22 interim, the legislative management shall consider studying the state government information technology budgeting and appropriations process. The study must include a review of the current process and the feasibility and desirability of providing a general fund appropriation to the information technology department rather than providing general fund appropriations to state agencies to pay the information technology department for information technology services. The study must include consideration of any cost or cost-savings that may result and any transparency benefits of the potential budgeting and appropriation changes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - INFORMATION TECHNOLOGY UNIFICATION.** During the 2021-22 interim, the legislative management shall consider studying the effectiveness, efficiency, cost, and any cost-savings of the 2019-21 biennium and 2021-23 biennium information technology unification initiatives and the feasibility and desirability of continuing these initiatives. The study must include a review of changes in fees, services, operations, processes, and systems. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 15. LEGISLATIVE MANAGEMENT STUDY - CYBERSECURITY.** During the 2021-22 interim, the legislative management shall consider studying costs incurred by the information technology department to deliver core technology services and cybersecurity services to state agencies and political subdivisions. The study must consider the feasibility and desirability of political subdivisions paying their share of the cost of these services. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 16. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF LARGE TECHNOLOGY COMPANIES.** During the 2021-22 interim, the legislative management shall consider studying competitive fairness, economic development implications, and other economic and societal impacts of large technology companies conducting business in North Dakota. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - VIRTUAL CURRENCY BUSINESS ACTIVITY.** During the 2021-22 interim, the legislative management shall consider studying the feasibility and desirability of regulating special purpose depository institutions and regulating other entities engaged in virtual currency business activities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 18. EMERGENCY.** House Bill No. 1417, as approved by the sixty-seventh legislative assembly, is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

|                                       | Base Budget          | Senate Version       | Conference Committee Changes | Conference Committee Version | House Version        | Comparison to House |
|---------------------------------------|----------------------|----------------------|------------------------------|------------------------------|----------------------|---------------------|
| Salaries and wages                    | \$81,374,501         | \$103,677,594        | (\$1,942,965)                | \$101,734,629                | \$100,781,118        | \$953,511           |
| Operating expenses                    | 89,957,364           | 121,248,112          | (160,000)                    | 121,088,112                  | 120,808,112          | 280,000             |
| Capital assets                        | 4,253,117            | 3,443,909            |                              | 3,443,909                    | 3,422,875            | 21,034              |
| Statewide longitudinal data system    | 4,387,145            | 4,493,432            | (7,154)                      | 4,486,278                    | 4,486,278            |                     |
| EduTech                               | 9,645,773            | 9,701,266            | (9,327)                      | 9,691,939                    | 9,691,939            |                     |
| K-12 wide area network                | 5,167,970            | 4,682,489            | (2,771)                      | 4,679,718                    | 4,679,718            |                     |
| Geographic information system         | 1,052,629            | 1,103,054            | (1,248)                      | 1,101,806                    | 1,101,806            |                     |
| Health information technology office  | 4,879,146            | 14,729,523           | (3,652)                      | 14,725,871                   | 14,725,871           |                     |
| Statewide interoperable radio network | 12,330,000           | 14,194,902           | (1,106)                      | 14,193,796                   | 14,193,796           |                     |
| <b>Total all funds</b>                | <b>\$213,047,645</b> | <b>\$277,274,281</b> | <b>(\$2,128,223)</b>         | <b>\$275,146,058</b>         | <b>\$273,891,513</b> | <b>\$1,254,545</b>  |
| Less estimated income                 | 195,882,334          | 242,862,695          | 3,307,410                    | 246,170,105                  | 246,726,024          | (555,919)           |
| General fund                          | \$17,165,311         | \$34,411,586         | (\$5,435,633)                | \$28,975,953                 | \$27,165,489         | \$1,810,464         |
| FTE                                   | 402.00               | 488.00               | (9.00)                       | 479.00                       | 477.00               | 2.00                |

**Department 112 - Information Technology Department - Detail of Conference Committee Changes**

|                                       | Adjusts Funding for Salary and Benefit Increases <sup>1</sup> | Reduces Funding for IT Unification <sup>2</sup> | Removes 5 FTE Positions <sup>3</sup> | Adds Funding for Cybersecurity FTE <sup>4</sup> | Reduces Cybersecurity Initiative Funding <sup>5</sup> | Adds One-Time Funding for Cybersecurity Initiatives <sup>6</sup> |
|---------------------------------------|---|---|--------------------------------------|---|---|--|
| Salaries and wages                    | (\$408,351)   | (\$3,018,069)                                   | (\$1,055,737)                        | \$2,539,192                                     |   |  |
| Operating expenses                    |   | (560,000)                                       |                                      | 400,000   | (\$6,500,000)   | \$6,500,000  |
| Capital assets                        |   |   |                                      |   |   |  |
| Statewide longitudinal data system    | (7,154)   |   |                                      |   |   |  |
| EduTech                               | (9,327)   |   |                                      |   |   |  |
| K-12 wide area network                | (2,771)   |   |                                      |   |   |  |
| Geographic information system         | (1,248)   |   |                                      |   |   |  |
| Health information technology office  | (3,652)   |   |                                      |   |   |  |
| Statewide interoperable radio network | (1,106)   |   |                                      |   |   |  |
| <b>Total all funds</b>                | <b>(\$433,609)</b>  | <b>(\$3,578,069)</b>                            | <b>(\$1,055,737)</b>                 | <b>\$2,939,192</b>                              | <b>(\$6,500,000)</b>                                  | <b>\$6,500,000</b>   |
| Less estimated income                 | (322,299)   | (3,578,069)                                     | (1,055,737)                          | 1,763,515                                       | 0   | 6,500,000  |
| General fund                          | (\$111,310)   | \$0   | \$0                                  | \$1,175,677                                     | (\$6,500,000)   | \$0  |
| FTE                                   | 0.00  | (14.00)   | (5.00)                               | 10.00   | 0.00  | 0.00   |

|                                       | Total Conference Committee Changes |
|---------------------------------------|------------------------------------|
| Salaries and wages                    | (\$1,942,965)                      |
| Operating expenses                    | (160,000)                          |
| Capital assets                        |                                    |
| Statewide longitudinal data system    | (7,154)                            |
| EduTech                               | (9,327)                            |
| K-12 wide area network                | (2,771)                            |
| Geographic information system         | (1,248)                            |
| Health information technology office  | (3,652)                            |
| Statewide interoperable radio network | (1,106)                            |
| <b>Total all funds</b>                | <b>(\$2,128,223)</b>               |
| Less estimated income                 | 3,307,410                          |
| General fund                          | (\$5,435,633)                      |
| FTE                                   | (9.00)                             |

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022, the same as provided by the House. The Senate provided salary adjustments of 2 percent with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 on July 1, 2021, and 2 percent on July 1, 2022. Of the amounts adjusted in the salaries and wages line item, \$490 is added from the general fund and \$931 is removed from other funds for health insurance increases to reflect FTE adjustments made by the Conference



Committee.

<sup>2</sup> Funding of \$3,578,069 from other funds and 14 FTE information technology positions are removed for the information technology unification initiative, including 12 FTE positions from Workforce Safety and Insurance and 2 FTE positions from the Game and Fish Department, to provide a total transfer of 53 FTE positions from 10 agencies to ITD, as follows:

| <u>Agency</u>                                      | <u>FTE Transferred</u> |
|--|------------------------|
| 110 - Office of Management and Budget              | 4                      |
| 190 - Retirement and Investment Office             | 2                      |
| 301 - State Department of Health                   | 4                      |
| 303 - Department of Environmental Quality          | 1                      |
| 380 - Job Service North Dakota                     | 16                     |
| 471 - Bank of North Dakota                         | 16                     |
| 504 - Highway Patrol                               | 2                      |
| 530 - Department of Corrections and Rehabilitation | 6                      |
| 601 - Department of Commerce                       | 1                      |
| 720 - Game and Fish Department                     | 1                      |
| Total  | 53                     |

The Senate and House previously approved the transfer of 67 FTE positions from 11 agencies prior to the Conference Committee.

<sup>3</sup> Salaries and wages funding of \$1,055,737 and 5 FTE positions are removed. The House removed salaries and wages and related operating expenses of \$2,260,326 and 9 FTE positions. The Senate did not remove funding for these FTE positions.

<sup>4</sup> Funding of \$2,939,192, of which \$1,175,677 is from the general fund and \$1,763,515 is from other funds is added for 10 FTE cybersecurity positions, including \$2,539,192 for salaries and wages and \$400,000 for related operating expenses. The Conference Committee approved a total of 29 FTE cybersecurity positions, of which 17 FTE cybersecurity positions relate to state cybersecurity and 12 FTE cybersecurity positions relate to local cybersecurity. Of the total, 23 FTE cybersecurity positions are funded from the general fund and 6 of the local FTE cybersecurity positions are funded from other funds. The House approved 17 FTE cybersecurity positions. The Senate approved 19 FTE cybersecurity positions.

<sup>5</sup> Ongoing funding of \$6.5 million from the general fund for cybersecurity operating expenses is removed.

<sup>6</sup> One-time funding of \$6,500,000 is added from the federal Coronavirus Relief Fund for cybersecurity initiative operating expenses, to provide total cybersecurity initiative funding of \$19,486,225, of which \$12,986,225 is ongoing funding from the general fund. Total cybersecurity funding is as follows:

|                    | <u>General Fund</u> | <u>Special Funds</u> | <u>Federal Funds</u> | <u>Total</u> |
|--------------------|---------------------|----------------------|----------------------|--------------|
| Salaries and wages | \$5,840,142         | \$1,523,515          | \$0                  | \$7,363,657  |
| Operating expenses | 5,251,534           | 240,000              | 6,500,000            | 11,991,534   |
| Capital assets     | 131,034             | 0                    | 0                    | 131,034      |
| Total              | \$11,222,710        | \$1,763,515          | \$6,500,000          | \$19,486,225 |

A separate section of the bill is added to identify funding from the federal Coronavirus Relief Fund.

The House approved \$15,938,161, of which \$9,438,161 was considered ongoing funding from the general fund and \$6,500,000 was one-time funding from the federal Coronavirus Relief Fund. Of the ongoing funding, \$4,316,627 was for salaries and wages, \$5,011,534 was for operating expenses, and \$110,000 was for capital assets.

The Senate approved \$16,547,033 of ongoing funding from the general fund, derived from legacy fund earnings, of which \$4,824,465 was for salaries and wages, \$11,591,534 was for operating expenses, and \$131,034 was for capital assets.

This amendment also:

- Amends a section to provide a \$6 million transfer from the health information technology planning loan fund to the electronic health information exchange fund,

the same as provided by the House. The Senate approved the transfer to be to the ITD operating service fund.

- Amends North Dakota Century Code Section 54-59-07 regarding the membership of the State Information Technology Advisory Committee, commonly known as SITAC. The House included this section.
- Amends Section 5 of Senate Bill No. 2007 (2021) related to the powers and duties of ITD and information technology services provided by ITD to the Veterans' Home.
- Repeals Section 6 of Senate Bill No. 2016 (2021) related to the information technology unification initiative. Section 10 of Senate Bill No. 2021 (2021) replaces this section.
- Removes a section identifying funding approved for cybersecurity salaries and wages, operating expenses, and capital assets is from the general fund and derived from legacy fund earnings, as approved by the Senate. The Conference Committee approved funding from the general fund for these cybersecurity costs but is not identifying the funding as from legacy fund earnings. The House also removed this section.
- Adds a section to provide ITD shall charge state agencies selected to participate in the 2021-23 biennium information technology unification initiative a rate for the labor of any FTE position transferred to ITD during the 2021-23 biennium, not to exceed the salaries and wages and related operating expenses of the FTE position, for services state agencies were performing prior to the 2021-23 biennium. Legislative intent is provided that any FTE position transferred to ITD for the 2021-23 biennium information technology unification initiative be transferred to the agency employing the positions during the 2019-21 biennium, unless the 68th Legislative Assembly is presented with sufficient evidence of efficiencies gained and cost-savings realized by the state as a result of the 2021-23 biennium information technology unification initiative. This section was not included in the House version.
- Adds a section of legislative intent that ITD supply at least one physical phone in each state agency and must provide the option to have physical phones for each employee in state agencies, at the discretion of the head of each agency. The House included this section.
- Adds a section of legislative intent that ITD provide direction to executive branch agencies regarding information technology strategic planning and operations during the 2021-23 biennium and provides for a Legislative Management study regarding the feasibility and desirability of the legislative branch and judicial branch receiving strategic planning and operational information technology direction from ITD beginning in the 2023-25 biennium. The House included this section.
- Adds a section to provide for a Legislative Management study of the state government information technology budgeting and appropriation process. The study must include a review of the current process and the feasibility and desirability of providing a general fund appropriation to ITD rather than providing general fund appropriations to state agencies to pay ITD for information technology services, including any cost or cost-savings that may be obtained and any transparency benefits of the potential budgeting and appropriation changes. The House included this section.
- Adds a section to provide for a Legislative Management study of the effectiveness, efficiency, cost, and any cost-savings of the 2019-21 biennium and 2021-23 biennium information technology unification initiatives and the feasibility and desirability of continuing these initiatives. The House included this section.
- Adds a section to provide for a Legislative Management study of the cost to deliver core technology services and cybersecurity to state agencies and political subdivisions, including the feasibility and desirability of political subdivisions paying their share of the cost of these services. The House included this section.
- Adds a section to provide for a Legislative Management study of competitive fairness, economic development implications, and other economic and societal impacts of large technology companies conducting business in North Dakota. The House included this section.
- Adds a section to provide for a Legislative Management study of the feasibility and desirability of regulating special purpose depository institutions and regulating other entities engaged in virtual currency business activities. The House included this

section.

- Adds a section to declare House Bill No. 1417 (2021), related to the powers and duties of ITD and the ability to enter a memorandum of understanding with other state, local, tribal, or territorial governments for cybersecurity purposes, to be an emergency measure.

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

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

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

Engrossed SB 2021, as amended, was placed on the 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 amend and reenact section 54-59-05 as amended by section 5 of Senate Bill No. 2007, as approved by the sixty-seventh legislative assembly, and section 54-59-07 of the North Dakota Century Code, relating to the veterans' home information technology services and state information technology advisory committee; to repeal section 6 of Senate Bill No. 2016, as approved by the sixty-seventh legislative assembly, relating to the information technology unification initiative; to provide a transfer; to provide for a report; to provide an exemption; to provide for a statement of legislative intent; to provide for a legislative management study; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bakke; Bekkedahl; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Oban; Oehlke; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner; Weber; Wobbema

**NAYS:** Anderson; Bell; Larsen, O.; Myrdal

Reengrossed SB 2021 passed and the emergency clause was declared carried.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. D. Johnson to replace Rep. Kempenich on the Conference Committee on SB 2245.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1453.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2004, SB 2018.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1008.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1465.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently

passed, and the emergency clause carried: SB 2021.

**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 1253.

**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 1001.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2145, SB 2256.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1008.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2145, SB 2256.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2020.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2145, SB 2256.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1008.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1008.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1009, HB 1016, HB 1022, HB 1023, HB 1213, HB 1437.

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

The following bill was delivered to the Governor for approval on April 28, 2021: SB 2020.

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

The following bills were delivered to the Governor for approval on April 28, 2021: SB 2145, SB 2256.

#### **COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 27, 2021, I have signed the following: SB 2015, SB 2019, SB 2247, and SB 2272.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has overridden the Governor's veto on SB 2290. The vote was 75 YEAS, 11 NAYS, 8 ABSENT AND NOT VOTING.

#### **MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, April 29, 2021, which motion prevailed.

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

**Shanda Morgan, Secretary**