

## JOURNAL OF THE HOUSE

## Fifty-fourth Legislative Assembly

\* \* \* \* \*

Bismarck, March 31, 1995

The House convened at 8:00 a.m., with Speaker Martin presiding.

The prayer was offered by Father Austin Vetter, Cathedral of the Holy Spirit, Bismarck.

The roll was called and all members were present except Representatives Hagle and D. Henegar.

A quorum was declared by the Speaker.

## HOUSE ENGROSSING AND ENROLLING REPORT

The following bills and resolutions were enrolled: HB 1194, HB 1228, HB 1473, HB 1478, HB 1489, HB 1492, HB 1500, HB 1502, HCR 3001, HCR 3004, HCR 3005, HCR 3019, HCR 3021, HCR 3026, and HCR 3043.

## DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 5:15 p.m., March 30, 1995: HB 1011, HB 1050, HB 1090, HB 1252, HB 1257, HB 1286, HB 1305, HB 1313, HB 1318, HB 1322.

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has failed to adopt the Conference Committee report on HB 1367 and the Conference Committee has been dissolved. The Speaker has appointed a new Conference Committee to act with a like committee from the Senate on: HB 1367: Reps. Froseth, Maragos, Delmore.

## MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1027, HB 1082, HB 1100, HB 1165.

## MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1163.

## MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1003.

## SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 4, remove "and"

Page 1, line 6, after "gallery" insert "; to amend and reenact section 15-10-12 of the North Dakota Century Code, relating to higher education special funds; and to declare an emergency"

Page 3, line 19, replace "95,513,204" with "95,835,032"

Page 3, line 22, replace "1,225,000" with "3,770,000"

Page 3, line 24, replace "125,894,160" with "128,760,988"

Page 3, line 25, replace "47,522,227" with "50,067,227"

Page 3, line 26, replace "78,371,933" with "78,693,761"

Page 4, line 1, replace "76,963,362" with "77,258,332"

Page 4, line 4, replace "929,950" with "1,129,950"

Page 4, line 5, replace "103,072,264" with "103,567,234"

Page 4, line 6, replace "41,224,964" with "41,424,964"

Page 4, line 7, replace "61,847,300" with "62,142,270"

Page 5, line 20, replace "475,000" with "525,000"

Page 5, line 22, replace "13,033,541" with "13,083,541"

Page 5, line 24, replace "9,395,252" with "9,445,252"

Page 6, line 7, replace "1,510,732" with "1,542,048"

Page 6, line 12, replace "2,142,634" with "2,173,950"

Page 6, line 14, replace "1,332,108" with "1,363,424"

Page 6, line 17, replace "55,586,409" with "55,638,295"

Page 6, line 20, replace "75,318,818" with "75,370,704"

Page 6, line 22, replace "25,769,427" with "25,821,313"

Page 6, line 23, replace "266,663,743" with "267,563,743"

Page 6, line 24, replace "187,937,903" with "197,005,418"

Page 6, line 25, replace "454,601,646" with "464,569,161"

Page 7, line 7, remove "or so"

Page 7, line 8, replace "much of the sum as may be necessary" with "from special funds derived from federal funds, the sum of \$900,000"

Page 7, line 9, replace the second "sum" with "sums"

Page 7, line 15, after "funds" insert "derived from other income"

Page 7, line 18, after "Act" insert "and in excess of the additional income received from tuition increases appropriated in section 10 of this Act"

Page 7, line 19, after "treasury" insert "up to the following amounts is hereby appropriated and may be spent subject to board of higher education approval:

INSTITUTION	AMOUNT
North Dakota university system office	\$ 80,052
Bismarck state college	202,800
University of North Dakota - Lake Region	42,744
University of North Dakota - Williston	66,857
University of North Dakota	1,425,667
North Dakota state university	1,236,749
North Dakota state college of science	241,733
Dickinson state university	156,371
Mayville state university	78,369
Minot state university	429,663
Valley City state university	109,149
North Dakota state university - Bottineau	42,186
North Dakota state forest service	24,316
University of North Dakota medical school	<u>1,486,482</u>
Total	\$5,623,138

Any additional excess estimated income"

Page 8, line 10, replace "Funds" with "Up to \$1,350,000 of funds"

Page 8, line 24, remove "to a nonprofit corporation of similar entity"

Page 8, after line 28, insert:

**"SECTION 10. APPROPRIATION.** In addition to the estimated income line item appropriations in section 1 of this Act, there is hereby appropriated additional income up to the following amounts received from tuition increases approved by the board of higher education for the biennium beginning July 1, 1995, and ending June 30, 1997:

INSTITUTION	AMOUNT
Bismarck state college	\$ 162,520
University of North Dakota - Lake Region	33,955
University of North Dakota - Williston	55,780
University of North Dakota	1,123,460
North Dakota state university	1,113,385
North Dakota state college of science	183,100
Dickinson state university	125,740
Mayville state university	60,940
Minot state university	350,035
Valley City state university	84,455
North Dakota state university - Bottineau	33,335
University of North Dakota medical school	95,810
Total	<u>\$3,422,515</u>

The board of higher education shall notify the office of management and budget of the object code line item allocations of such additional income.

**SECTION 11. LEGISLATIVE INTENT - USE OF TUITION INCREASE COLLECTIONS.** It is the intent of the legislative assembly that the board of higher education direct the use of any funds received from tuition increases pursuant to section 10 of this Act for instructional activities and to provide more adequate facilities, both for the direct benefit of students. The higher education institutions are encouraged to seek student input regarding the most appropriate use of these funds for the the biennium beginning July 1, 1995, and ending June 30, 1997.

**SECTION 12. BOARD OF HIGHER EDUCATION - BOND ISSUANCE - PURPOSES.** The state board of higher education, in accordance with chapter 15-55, may issue and sell self-liquidating, tax-exempt bonds in an amount not exceeding \$2,000,000, for the purpose of constructing an addition to and remodeling of the student union at Dickinson state university for the biennium beginning July 1, 1995, and ending June 30, 1997. Bonds issued under the provisions of this Act may not become a general obligation of the state of North Dakota.

**SECTION 13. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 12, or so much of the sum as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the purpose of constructing an addition to and remodeling of the student union at Dickinson state university and providing equipment for the facility for the biennium beginning July 1, 1995, and ending June 30, 1997. Any unexpended balance from the sale of bonds must be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 14. LEGISLATIVE INTENT - HASTINGS HALL PURCHASE.** It is the intent of the legislative assembly that North Dakota state university enter into an agreement to purchase the Hastings hall facility from the state seed department for \$350,000 for the biennium

beginning July 1, 1995, and ending June 30, 1997. The source of funds used to purchase the facility is to be determined by North Dakota state university.

**SECTION 15. VALLEY CITY STATE UNIVERSITY - APPROPRIATION.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to Valley City state university, for the purpose of defraying its expenses resulting from lower than estimated 1993-95 revenue collections, for the period beginning with the effective date of this Act and ending June 30, 1997.

**SECTION 16. AMENDMENT.** Section 15-10-12 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-12. Board may accept gifts and bequests - State treasurer to have custody of school funds.** The state board of higher education may, subject to the limitations of section 15-10-12.1, receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests must be used for the specific purpose for which they are donated or given. A special revenue fund, for each institution of higher education under the control of the board or subject to its administration, must be maintained within the state treasury and all institutional income ~~and institutional collections of public funds of each institution, except institutional funds received as donations, gifts, grants, and bequests, from tuition collections~~ must be placed in the special fund for the use of the institution for which the money was raised. All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated to specific institutions of higher learning under the terms of the Enabling Act and the Constitution of North Dakota must be deposited in the special revenue fund of each institution and expended in accordance with section 1 of article IX of the Constitution of North Dakota. Moneys in the special revenue fund are subject to legislative appropriations. All other funds, unless restricted by the terms of a grant, donation, or bequest, received by the institutions from federal, state, and local grants and contracts, indirect cost recoveries, special student fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing education program fees, internal service fund revenues, and all other revenues must be deposited in the Bank of North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the office of the budget pursuant to section 15-10-15. Payments from each institution's general fund appropriation must be made in amounts as may be necessary for the operation and maintenance of each institution, except that at the close of the biennium the balance of funds not paid from the general fund appropriation must be deposited in the special revenue funds of the institutions. All such appropriations are subject to proration in the same manner as other appropriations are prorated if insufficient funds are available to meet expenditures from the general fund. Sinking funds for the payment of interest and principal of institutional revenue bonds must be deposited pursuant to section 15-55-06.

**SECTION 17. EMERGENCY.** Section 15 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 215 - NORTH DAKOTA UNIVERSITY SYSTEM

SENATE - This amendment makes the following changes:

## GENERAL FUND CHANGES

	HOUSE VERSION	ADD CAPITAL IMPROVEMENTS	RESTORE VACANT POSITIONS <sup>2</sup>	OTHER CHANGES	TOTAL CHANGES	SENATE VERSION
System Office	\$ 10,180,461					\$ 10,180,461
Bismarck State College	11,274,522					11,274,522
UND-Lake Region	3,843,958					3,843,958
UND-Williston	3,871,612					3,871,612
University of North Dakota	78,371,933	<sup>1</sup>	\$321,828		\$321,828	78,693,761
North Dakota State University	61,847,300	<sup>1</sup>	294,970		294,970	62,142,270
State College of Science	19,953,849			<sup>3</sup>		19,953,849
Dickinson State University	10,788,145			<sup>4</sup>		10,788,145
Mayville State University	6,885,779					6,885,779
Minot State University	19,914,362					19,914,362
Valley City State University	9,395,252	\$50,000 <sup>1</sup>		\$150,000 <sup>5</sup>	200,000	9,595,252
NDSU-Bottineau	3,235,035					3,235,035
Forest Service	1,332,108		31,316		31,316	1,363,424
UND Medical School	25,769,427		51,886		51,886	25,821,313
UND Rehabilitation Hospital						
Total general fund - HB1003	<u>\$266,663,743</u>	<u>\$50,000</u>	<u>\$700,000</u>	<u>\$150,000</u>	<u>\$900,000</u>	<u>\$267,563,743</u>

<sup>1</sup> Provides funding which was included in Senate Bill No. 2030 for the following projects:

University of North Dakota:

Building connection	\$ 750,000 other funds
Medical School animal quarters	750,000 federal funds
Apartment storage facility	420,000 other funds
Auxiliary storage facility	250,000 other funds
Plant services storage and recycling facility	<u>375,000 other funds</u>
Total	<u>\$2,545,000 other and federal funds</u>

North Dakota State University - President residence - \$200,000 other funds

Valley City State University - Additional funding for McFarland Hall project - \$50,000 general fund (The executive budget provided \$514,000 of bond proceeds and other funds for the project. The House provided \$250,000 from the general fund for the project.)

GENERAL FUND CHANGES

<sup>2</sup> Restores vacant positions removed by the House as follows:

University of North Dakota	Restores four of the 13.44 FTE positions removed
North Dakota State University	Restores three of the 11.3 FTE positions removed
Forest Service	Restores the one FTE position removed
UND Medical School	Restores one of the two FTE positions removed

<sup>3</sup> Provides \$900,000 of federal funds relating to the Bute Gym remodeling project at North Dakota State College of Science.

<sup>4</sup> Authorizes the Board of Higher Education to issue revenue bonds in the amount of \$2 million to remodel, construct an addition to, and equip the student union at Dickinson State University.

<sup>5</sup> Provides additional operating funds for Valley City State University for the remainder of the 1993-95 biennium as a result of lower than estimated revenue collections during the 1993-95 biennium.

A section is added appropriating additional tuition income of up to \$3,422,515 for all the higher education institutions which may result from higher education tuition increases of two percent the first year and one percent the second year of the 1995-97 biennium, subject to Board of Higher Education approval. A section of legislative intent is added providing that the additional collections resulting from the tuition increases be used for instructional activities and to provide more adequate facilities, both to benefit students.

Section 3 of the bill is amended to authorize each higher education institution to spend excess estimated income of up to three percent of its estimated income line item subject to Board of Higher Education approval. Any additional excess estimated income may be spent only upon Emergency Commission approval. Previously, this section provided that all excess income may be spent upon Emergency Commission approval.

A section is added amending North Dakota Century Code Section 15-10-12 clarifying the definition of institutional income as it relates to higher education and providing that the Board of Higher Education submit to the Office of Management and Budget at the time the budget is submitted biennial estimates of all other fund revenues and expenditures, by source.

A section of legislative intent is added providing that North Dakota State University enter into an agreement to purchase Hastings Hall from the Seed Department for \$350,000 from funding sources to be determined by North Dakota State University.

Section 9 of the bill is amended to remove provisions that the Forest Service provide centennial trees grants to a nonprofit corporation or similar entity. The amendment provides no restrictions on grant recipients.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2008, SB 2305, and SB 2313 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2008:** Sens. Naaden; Solberg; Robinson  
**SB 2305:** Sens. Solberg; St. Aubyn; Tallackson  
**SB 2313:** Sens. Holmberg; Lips; Redlin

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2019, SB 2499.

**SIXTH ORDER OF BUSINESS**

**SB 2059, as reengrossed: REP. DALRYMPLE (Appropriations Committee) MOVED** that the amendments on HJ pages 1580-1581 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2059:** A BILL for an Act to amend and reenact sections 15-27.3-10, 15-27.3-19, 15-27.3-20, 15-40.1-16, and 15-40.1-18 of the North Dakota Century Code, relating to the school district transportation services and changes in school district reorganization proposals.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of **DO PASS**, the roll was called and there were 52 YEAS, 44 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Austin; Berg; Boucher; Byerly; Carlisle; Carlson; Clark; Dalrymple; Dorso; Freier; Froseth; Galvin; Gerntholz; Gorman; Gunter; Hausauer; Henegar, K.; Howard; Huether; Jacobs; Johnson; Kaldor; Klein; Kliniske; Koppelman; Kroeber; Kunkel; Mickelson; Monson; Mutzenberger; Nicholas; Nottestad; Olson; Price; Rennerfeldt; Rydell; Sabby; Sandvig; Schmidt; Shide; Skarphol; Soukup; Svedjan; Thoreson; Timm; Tollefson; Torgerson; Wald; Walker; Wardner; Wentz; Wilkie

**NAYS:** Aarsvold; Bateman; Belter; Bernstein; Boehm; Brown; Christenson; Christopherson; Clayburgh; Coats; DeKrey; Delmore; Delzer; DeWitz; Dobrinski; Drovda; Glassheim; Gorder; Grosz; Grumbo; Gullerson; Hanson; Holm; Keiser; Kelsch; Kempenich; Kerzman; Kretschmar; Laughlin; Lloyd; Mahoney; Maragos; Martinson; Nichols; Oban; Payne; Poolman; Retzer; Schimke; Sitz; Stenehjem; Sveen; Thompson; Speaker Martin

**ABSENT AND NOT VOTING:** Hagle; Henegar, D.

Engrossed SB 2059, as amended, passed and the title was agreed to.

\*\*\*\*\*

**SIXTH ORDER OF BUSINESS**

**SB 2080, as reengrossed: REP. DALRYMPLE (Appropriations Committee) MOVED** that the amendments on HJ pages 1555-1559 be adopted and then be placed on the Fourteenth order with **DO PASS**.

**REQUEST**

**REP. KRETSCHMAR REQUESTED** that the question of the adoption of the amendments to Reengrossed SB 2080 be divided to have the sections voted on separately in the following manner.

**RULING BY SPEAKER**

**SPEAKER MARTIN RULED** that in accordance with House Rule 603, any member may have the amendments divided into separate divisions and the question of the

adoption of the amendments must be taken separately on each amendment. Therefore, Representative Kretschmar's request was granted.

#### DIVISION A

Page 1, line 6, after the semicolon insert "to suspend sections 15-10-17.2, 32-12.1-15, and 54-14-03.2 of the North Dakota Century Code, relating to claims against the state;"

Page 1, line 9, after the semicolon insert "to provide an expiration date;"

Page 24, after line 4, insert:

**"SECTION 12. SUSPENSION.** Section 15-10-17.2 of the North Dakota Century Code and sections 32-12.1-15 and 54-14-03.2 of the 1993 Supplement to the North Dakota Century Code are suspended upon the effective date of this Act. If Senate Concurrent Resolution No. 4014, as adopted by the fifty-fourth legislative assembly, is approved by the voters, the suspension of sections 15-10-17.2, 32-12.1-15, and 54-14-03.2 ceases and those sections become effective as they existed immediately before the effective date of this Act."

Page 28, line 22, after the period insert "If this Act becomes ineffective pursuant to section 21 of this Act, any claim that accrues during the period during which the Act is effective is governed by this Act. If this Act becomes ineffective, any funds in the state risk management fund must be maintained in the fund to pay any judgments or settled claims after the Act becomes ineffective."

Page 28, line 23, replace "This" with "Sections 1 through 12 and sections 14 through 19 of this" and replace "becomes" with "become"

Page 28, line 24, after the period insert "If Senate Concurrent Resolution No. 4014, as approved by the fifty-fourth legislative assembly, is not approved by the voters, section 13 of this Act becomes effective upon the official certification by the secretary of state that the measure was not approved."

**SECTION 21. EXPIRATION DATE.** If Senate Concurrent Resolution No. 4014 is approved by the fifty-fourth legislative assembly and the measure is approved by the voters, sections 1 through 10 and section 14 of this Act become ineffective on the date that measure becomes effective."

#### DIVISION B

Page 1, line 1, after "enact" insert "a new subsection to section 21-10-06 and"

Page 1, line 2, after the first "to" insert "investment of funds by the state investment board and to"

Page 1, line 8, after the second semicolon insert "to provide for a legislative council study;"

Page 7, after line 29, insert:

**"SECTION 2.** A new subsection to section 21-10-06 of the 1993 Supplement to the North Dakota Century Code is created and enacted as follows:

State risk management fund."

Page 11, line 5, after the second comma insert "public nonprofit corporations,"

Page 11, line 15, remove the overstrike over "6-"

Page 11, line 16, after "~~government~~" insert ""Public nonprofit corporation" means a nonprofit corporation that performs a governmental function and is funded, entirely or partly, by the state, a city, county, park district, school district, or township" and remove the overstrike over the overstruck period

Page 15, line 23, after "3." insert ""Occurrence" means an accident, including continuous or repeated exposure to a condition, which results in an injury.

4."

Page 15, line 26, replace "4" with "5"

Page 15, line 28, replace "5" with "6"

Page 16, line 1, replace "6" with "7"

Page 16, line 4, replace "7" with "8"

Page 16, after line 5, insert:

"9. "State institution" means the state hospital, the developmental center at Grafton, the state penitentiary, the Missouri River correctional center, the North Dakota industrial school, the school for the blind, and the school for the deaf."

Page 16, line 24, replace "judgement" with "judgment"

Page 16, line 25, replace "limits" with "seven hundred fifty thousand dollar limit"

Page 16, line 28, replace "judgement" with "judgment", replace "commissioner" with "director", and replace "insurance" with "the office of management and budget"

Page 16, line 29, remove "commissioner's" and after "budget" insert "for the office of management and budget"

Page 17, line 1, replace "limits" with "limit"

Page 18, line 9, replace "medical or" with "institution"

Page 18, line 10, remove "corrections facility"

Page 18, line 13, replace "at" with "of"

Page 18, after line 16, insert:

"m. A claim resulting from environmental contamination, except to the extent that federal environmental law permits the claim.

n. A claim resulting from a natural disaster, an act of God, a military action, or an action or omission taken as part of a disaster relief effort."

Page 19, line 24, replace "commissioner" with "director" and replace "insurance" with "the office of management and budget"

- Page 20, line 6, replace "The commissioner" with "Within two working days after receipt of notice of a claim, the director" and replace "insurance" with "the office of management and budget"
- Page 20, line 9, replace "commissioner of insurance" with "director"
- Page 20, line 13, after "approved" insert "and signed"
- Page 20, line 14, remove "as to its form and legality"
- Page 20, line 19, replace "commissioner" with "director" and replace "insurance" with "the office of management and budget"
- Page 20, line 25, after "insurance" insert "- Reinsurance" and replace "commissioner" with "director"
- Page 20, line 26, replace the first "insurance" with "the office of management and budget" and after "state" insert "may participate in a government self-insurance pool or"
- Page 20, line 28, replace "for which coverage is not provided by the state risk management fund" with ". The director shall limit participation in government self-insurance pools and the purchase of insurance to exposures determined to cause an excessive financial risk to the state risk management fund including exposures reasonably expected to deplete the fund and have a significant detrimental impact on the state's budget."
- Page 21, line 3, after "or" insert "coverage may be provided"
- Page 21, line 4, replace "commissioner" with "director", replace the first "insurance" with "the office of management and budget", and after "policy" insert "or memorandum of coverage"
- Page 21, line 5, replace "five" with "three" and after the underscored period insert "The director may procure an excess loss reinsurance contract for the state."
- Page 21, line 7, replace "commissioner" with "director" and replace "insurance" with "the office of management and budget"
- Page 21, line 8, replace "insurance" with "self-insurance"
- Page 21, line 10, remove "insurance"
- Page 21, line 11, replace "commissioner of insurance" with "director"
- Page 21, line 13, replace "commissioner" with "director" and replace "insurance" with "the office of management and budget"
- Page 21, line 16, after the underscored period insert "The state investment board shall invest the fund in accordance with chapter 21-10." and after "entities" insert "and interest and income received on investments"
- Page 21, line 19, replace "commissioner" with "director" and replace "insurance" with "the office of management and budget"
- Page 21, line 26, after "purchases" insert "or government self-insurance pool participation"
- Page 22, line 1, after "fund" insert "or contract for a third-party administrator"

Page 22, line 2, replace "commissioner" with "director" and replace the first "insurance" with "the office of management and budget"

Page 22, line 3, after "or" insert "government self-insurance pools or" and after "and" insert "government self-insurance pools and"

Page 22, line 4, after "carriers" insert "or memorandums of coverage with government self-insurance pools"

Page 22, line 5, after "insurance" insert "or coverage"

Page 22, line 7, replace the first "commissioner" with "director", replace "insurance" with "the office of management and budget", and replace the second "commissioner" with "director"

Page 22, line 8, replace "insurance" with "the office of management and budget"

Page 22, line 9, after the first "insurance" insert "or coverage", replace "commissioner" with "director", and after "company" insert "or government self-insurance pool"

Page 22, line 10, after "policy" insert "or memorandum of coverage"

Page 24, replace lines 10 through 20 with:

**"SECTION 15. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET.**  
The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the state risk management fund in the state treasury, not otherwise appropriated, to the office of management and budget for the purpose of administering the state risk management fund and providing for the defense of the state or an employee of the state pursuant to chapter 32-12.2, for the period beginning with the effective date of this Act and ending June 30, 1997, as follows:

Administration - risk management fund	\$ 679,000
Legal defense services	<u>528,000</u>
Total special funds appropriation	\$1,207,000"

Page 26, replace lines 2 and 3 with:

"University of North Dakota	246,196	246,196"
-----------------------------	---------	----------

Page 28, line 20, replace "1,803,235" with "2,049,431", replace "1,572,245" with "1,569,799", and replace "3,375,480" with "3,619,230"

Page 28, after line 20, insert:

**"SECTION 17. PENDING CASES.** A state agency may pay, from its 1995-97 biennium operating budget appropriation, settlements or judgments resulting from court decisions affecting state agency liability for claims accruing before the effective date of this Act, subject to written approval of the attorney general, for the biennium beginning July 1, 1995, and ending June 30, 1997. Any state agency that pays a settlement or judgment may request, if necessary, a deficiency appropriation from the fifty-fifth legislative assembly.

**SECTION 18. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying the impact of the North Dakota supreme court decision abolishing the doctrine of sovereign immunity during the 1995-96 interim."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - Provides that the risk management fund be administered by the Office of Management and Budget rather than the Commissioner of Insurance. The \$400,000 appropriation from the risk management fund for Insurance Department administrative costs is removed and \$1,207,000 from the risk management fund is provided to the Office of Management and Budget for administrative costs of the fund and defense costs of the state and its employees as follows:

Salaries and wages	\$ 254,000	(1 FTE risk manager and 1 FTE support position)
Operating expenses	135,000	
Claims management	290,000	
Legal defense services	528,000 <sup>1</sup>	
Total	\$1,207,000	

<sup>1</sup> This funding is provided for the Office of Management and Budget to purchase legal services from the Attorney General or other entity. If necessary, the Attorney General may request Emergency Commission approval under North Dakota Century Code Section 54-16-04.2 to receive and spend collections from the Office of Management and Budget for providing legal services.

Provides \$246,196 from the general fund for estimated liability insurance premium costs for the University of North Dakota. This amount was inadvertently excluded from the Senate version.

Removes the \$2,446 from special funds for estimated liability insurance premium costs for the UND Rehabilitation Hospital because the hospital has been leased to United Hospital of Grand Forks.

A section is added authorizing state agencies to pay settlements or judgments resulting from court decisions in liability cases against the agency from their 1995-97 operating budget appropriations. The section allows an agency that pays a settlement or judgment during the 1995-97 biennium to request a deficiency appropriation, if necessary, from the 1997 Legislative Assembly.

**REQUEST**

**REP. BERG REQUESTED** a recorded roll call vote on Division A of the proposed amendments to Reengrossed SB 2080, which request was granted.

**ROLL CALL**

The question being on the motion to adopt Division A of the proposed amendments to Reengrossed SB 2080, the roll was called and there were 62 YEAS, 34 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Austin; Bateman; Belter; Berg; Bernstein; Boehm; Byerly; Carlisle; Carlson; Christopherson; Clark; Dalrymple; Delzer; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gerntholz; Glassheim; Gorder; Gorman; Grosz; Gunter; Hausauer; Henegar, K.; Holm; Howard; Huether; Jacobs; Johnson; Kempenich; Klein; Kliniske; Koppelman; Kunkel; Lloyd; Martinson; Mickelson; Monson; Nicholas; Olson; Payne; Price; Rennerfeldt; Retzer; Sandvig; Shide; Sitz; Skarphol; Soukup; Svedjan; Sveen; Thompson; Thoreson; Timm; Tollefson; Torgerson; Wald; Walker; Wardner

**NAYS:** Aarsvold; Boucher; Brown; Christenson; Clayburgh; Coats; DeKrey; Delmore; Galvin; Grumbo; Gullerson; Hanson; Kaldor; Keiser; Kelsch; Kerzman; Kretschmar; Kroeber; Laughlin; Mahoney; Maragos; Mutzenberger; Nichols; Nottestad; Oban; Poolman; Rydell; Sabby; Schimke; Schmidt; Stenehjem; Wentz; Wilkie; Speaker Martin

**ABSENT AND NOT VOTING:** Hagle; Henegar, D.

Division A of the proposed amendments to Reengrossed SB 2080 was adopted.

The question being on the motion to adopt Division B of the proposed amendments to Reengrossed SB 2080.

Division B of the proposed amendments to Reengrossed SB 2080 was adopted on a verification vote.

The question then was on the adoption of the proposed amendments to Reengrossed SB 2080, including Division A and Division B with the title amended appropriately and lines, sections, and pages renumbered accordingly.

The proposed amendments to Reengrossed SB 2080 including Division A and including Division B were adopted.

Reengrossed SB 2080, as amended, was placed on the Fourteenth order of business on the calendar.

#### MOTION

REP. FREIER MOVED that the House waive the reading of the title to Reengrossed SB 2080, as amended, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2080:** A BILL for an Act to create and enact a new subsection to section 21-10-06 and chapter 32-12.2 of the North Dakota Century Code, relating to investment of funds by the state investment board and to claims against the state; to amend and reenact sections 15-10-17, 26.1-21-10.1, 26.1-21-10.2, 32-12-04, 32-12.1-02, 32-12.1-03, 32-12.1-05, 32-12.1-07, and 44-04-19.1 of the North Dakota Century Code, relating to claims against the state and exemptions from open meeting requirements; to suspend sections 15-10-17.2, 32-12.1-15, and 54-14-03.2 of the North Dakota Century Code, relating to claims against the state; to repeal sections 15-10-17.2, 32-12.1-15, and 54-14-03.2 of the North Dakota Century Code, relating to claims against the state; to provide an appropriation; to provide for a legislative council study; to provide for applicability; to provide an effective date; to provide an expiration date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Austin; Bateman; Belter; Berg; Bernstein; Boehm; Boucher; Brown; Byerly; Carlisle; Carlson; Christenson; Christopherson; Clark; Clayburgh; Coats; Dalrymple; DeKrey; Delmore; Delzer; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Galvin; Gerntholz; Glassheim; Gorder; Gorman; Grosz; Grumbo; Gulleston; Gunter; Hanson; Hausauer; Henegar, K.; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Klein; Kliniske; Koppelman; Kretschmar; Kroeber; Kunkel; Laughlin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Mutzenberger; Nicholas; Nichols; Nottestad; Oban; Olson; Payne; Poolman; Price; Rennerfeldt; Retzer; Rydell; Sabby; Sandvig; Schimke; Schmidt; Shide; Sitz; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Timm; Tollefson; Torgerson; Wald; Walker; Wardner; Wentz; Wilkie; Speaker Martin

**ABSENT AND NOT VOTING:** Hagle; Henegar, D.

Reengrossed SB 2080, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

## MOTION

REP. DORSO MOVED that the House stand in recess until 11:00 p.m., which motion prevailed.

## HOUSE ENGROSSING AND ENROLLING REPORT

The following bills were engrossed and enrolled: HB 1015, HB 1017, HB 1432.

## REPORT OF CONFERENCE COMMITTEE

SB 2103, as engrossed: Your conference committee (Sens. Traynor, Christmann, Krauter and Reps. Olson, Drovdal, Hanson) recommends that the SENATE ACCEDE to the House amendments on SJ pages 1118-1120 and place SB 2103 on the Seventh order.

Engrossed SB 2103 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

SB 2142, as engrossed: Your conference committee (Sens. Freborg, Christmann, Krauter and Reps. Drovdal, Nottestad, Mutzenberger) recommends that the SENATE ACCEDE to the House amendments on SJ page 817 and place SB 2142 on the Seventh order.

Engrossed SB 2142 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

SB 2430, as engrossed: Your conference committee (Sens. Lee, B. Stenehjem, DeMers and Reps. Thoreson, Walker, Sandvig) recommends that the SENATE ACCEDE to the House amendments on SJ page 982 and place SB 2430 on the Seventh order.

Engrossed SB 2430 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

SB 2439: Your conference committee (Sens. Bowman, B. Stenehjem, Yockim and Reps. Svedjan, K. Henegar, Kerzman) recommends that the SENATE ACCEDE to the House amendments on SJ page 983 and place SB 2439 on the Seventh order.

SB 2439 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

SB 2480: Your conference committee (Sens. Lee, Bowman, Yockim and Reps. Price, Walker, Boucher) recommends that the SENATE ACCEDE to the House amendments on SJ page 846 and place SB 2480 on the Seventh order.

SB 2480 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

SB 2520: Your conference committee (Sens. Krebsbach, Sand, Langley (refused to sign) and Reps. Poolman, Berg, Schmidt) recommends that the SENATE ACCEDE to the House amendments on SJ page 1050 and place SB 2520 on the Seventh order.

SB 2520 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

SB 2524, as engrossed: Your conference committee (Sens. Tennefos, Kringstad, Heitkamp and Reps. Belter, Lloyd, Gulleson) recommends that the SENATE ACCEDE to the House amendments on SJ page 984 and place SB 2524 on the Seventh order.

Engrossed SB 2524 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SCR 4046, as engrossed:** Your conference committee (Sens. B. Stenehjem, Lee, DeMers and Reps. Klein, Nottestad, Christenson) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1122 and place SCR 4046 on the Seventh order.

Engrossed SCR 4046 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SCR 4049, as engrossed:** Your conference committee (Sens. Thane, B. Stenehjem, Mathern and Reps. Price, Gunter, Sandvig) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1041 and place SCR 4049 on the Seventh order.

Engrossed SCR 4049 was placed on the Seventh order of business on the calendar.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1018, HB 1022, HB 1032, HB 1149, HB 1151, HB 1326, HB 1360, HB 1369, HB 1375, HB 1378, HB 1379, HB 1407, HB 1436, HB 1441, HB 1452, HB 1463, HB 1493, HCR 3006, HCR 3038.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1194, HB 1228, HB 1473, HB 1478, HB 1489, HB 1492, HB 1500, HB 1502, HCR 3001, HCR 3004, HCR 3005, HCR 3019, HCR 3021, HCR 3026, HCR 3043.

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

**ANNOUNCEMENT BY THE SPEAKER**

**SPEAKER MARTIN ANNOUNCED** that Representative Payne would replace Representative Dalrymple on the conference committee on Engrossed HB 1001.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The Speaker has appointed Rep. Payne to replace Rep. Dalrymple on the Conference Committee on HB 1001.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolutions were delivered to the Secretary of State for his filing at the hour of 11:25 a.m., March 31, 1995: HCR 3001, HCR 3004, HCR 3005, HCR 3006, HCR 3019, HCR 3021, HCR 3026, HCR 3038, HCR 3043.

**MOTION**

**REP. DORSO MOVED** that Engrossed SB 2012 be moved to the top of the calendar, which motion prevailed.

**SEVENTH ORDER OF BUSINESS**

**MOTION**

**REP. HUETHER MOVED** that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2012.

**REQUEST**

**REP. DOBRINSKI REQUESTED** a recorded roll call vote on the motion that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2012, which request was granted.

**ROLL CALL**

The question being on the motion that the report of the Minority be substituted for the report of the Majority on on Engrossed SB 2012, the roll

was called and there were 47 YEAS, 50 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Boucher; Brown; Christenson; Coats; DeWitz; Dobrinski; Drovdal; Froseth; Galvin; Glassheim; Gorder; Grumbo; Gulleon; Gunter; Hanson; Henegar, K.; Howard; Huether; Johnson; Kaldor; Kelsch; Kerzman; Klein; Koppelman; Kretschmar; Kroeber; Laughlin; Maragos; Martinson; Mutzenberger; Nichols; Oban; Retzer; Sabby; Sandvig; Schmidt; Sitz; Sveen; Thompson; Thoreson; Timm; Tollefson; Torgerson; Walker; Wilkie; Speaker Martin

**NAYS:** Austin; Bateman; Belter; Berg; Bernstein; Boehm; Byerly; Carlisle; Carlson; Christopherson; Clark; Clayburgh; Dalrymple; DeKrey; Delmore; Delzer; Dorso; Freier; Gerntholz; Gorman; Grosz; Hagle; Hausauer; Holm; Jacobs; Keiser; Kempenich; Kliniske; Kunkel; Lloyd; Mahoney; Mickelson; Monson; Nicholas; Nottestad; Olson; Payne; Poolman; Price; Rennerfeldt; Rydell; Schimke; Shide; Skarphol; Soukup; Stenehjem; Svedjan; Wald; Wardner; Wentz

**ABSENT AND NOT VOTING:** Henegar, D.

The motion that the report of the Minority be substituted for the report of the Majority failed.

#### RULING BY THE SPEAKER

**SPEAKER MARTIN RULED** that since the motion to substitute the report of the Minority for the report of the Majority failed, the report of the Majority would place Engrossed SB 2012 on the Sixth order on today's calendar.

#### SIXTH ORDER OF BUSINESS

**SB 2012, as engrossed:** **REP. DALRYMPLE (Appropriations Committee) MOVED** that the proposed Majority report amendments on HJ pages 1526-1541 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

#### MOTION

**REP. FREIER MOVED** that the House waive the reading of the title to Engrossed SB 2012, as amended, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2012:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide for the transfer of appropriations between agencies and institutions; to rename the developmental center the developmental center at westwood park, Grafton; to authorize the state of North Dakota to convey certain state-owned land to Community Housing, Inc.; to create and enact a new section to chapter 25-04, two new sections to chapter 50-06, and a new subsection to section 50-06-05.1 of the North Dakota Century Code, relating to the westwood park assets management committee, to developmental disabilities service providers, to the administration of the mental health division, and to the duties of the department of human services; to amend and reenact sections 25-04-01, 50-06-14.3, and subsection 5 of section 50-24.4-10 of the North Dakota Century Code and section 4 of chapter 561 of the 1991 Session Laws as amended by section 18 of chapter 2 of the 1993 Session Laws, relating to renaming the developmental center the developmental center at westwood park, Grafton, nursing home operating costs, the state basic care program, and extending an appropriation from the lands and minerals trust fund to the department of human services for capital improvements or demolition of existing buildings at the developmental center at westwood park, Grafton; to encourage a waiver of federal medicaid requirements; and to provide for program reductions if federal programs are terminated or reduced by block grant funding and to report to the budget section.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 97 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Austin; Bateman; Belter; Berg; Bernstein; Boehm; Boucher; Brown; Byerly; Carlisle; Carlson; Christenson; Christopherson; Clark; Clayburgh; Coats; Dalrymple; DeKrey; Delmore; Delzer; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Galvin; Gerntholz; Glassheim; Gorder; Gorman; Grosz; Grumbo; Gulleson; Gunter; Hagle; Hanson; Hausauer; Henegar, K.; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Klein; Kliniske; Koppelman; Kretschmar; Kroeber; Kunkel; Laughlin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Mutzenberger; Nicholas; Nichols; Nottestad; Oban; Olson; Payne; Poolman; Price; Rennerfeldt; Retzer; Rydell; Sabby; Sandvig; Schimke; Schmidt; Shide; Sitz; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Timm; Tollefson; Torgerson; Wald; Walker; Wardner; Wentz; Wilkie; Speaker Martin

**ABSENT AND NOT VOTING:** Henegar, D.

Engrossed SB 2012, as amended, passed and the title was agreed to.

\*\*\*\*\*

## APPOINTMENT OF CONFERENCE COMMITTEE

**THE SPEAKER ANNOUNCED** the following appointment to a Conference Committee on SB 2008: Reps. Clayburgh, Tollefson, Laughlin.

## APPOINTMENT OF CONFERENCE COMMITTEE

**THE SPEAKER ANNOUNCED** the following appointment to a Conference Committee on SB 2305: Reps. Freier, Howard, Kaldor.

## APPOINTMENT OF CONFERENCE COMMITTEE

**THE SPEAKER ANNOUNCED** the following appointment to a Conference Committee on SB 2313: Reps. Byerly, Howard, Kroeber.

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2008:** Reps. Clayburgh; Tollefson; Laughlin

**SB 2305:** Reps. Freier; Howard; Kaldor

**SB 2313:** Reps. Byerly; Howard; Kroeber

## MOTION

**REP. DORSO MOVED** that all legislative action taken this morning be messaged to the Senate immediately, which motion prevailed.

## MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The President has appointed as a new conference committee to act with a like committee from the House on:

**HB 1367:** Sens. Watne; Urlacher; Mathern

## MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The President has appointed as a conference committee to act with a like committee from the House on:

**HB 1178:** Sens. Grindberg; Wanzek; O'Connell

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2080.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has amended and subsequently passed: SB 2012, SB 2059.

**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: HB 1015, HB 1017, HB 1432.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1015, HB 1017, HB 1432.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DALRYMPLE MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1003 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1003: Reps. Wald, Freier, Wilkie.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House does not concur in the Senate amendments to HB 1003 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1003:** Reps. Wald; Freier; Wilkie

**MOTION**

**REP. DORSO MOVED** that the House reconsider its action whereby Engrossed HB 1309 passed, which motion prevailed.

**MOTION**

**REP. DORSO MOVED** that the House reconsider its action whereby the conference committee report was accepted and Engrossed HB 1309 was placed on the Seventh order of business on the calendar, which motion prevailed.

**MOTION**

**REP. DORSO MOVED** that Engrossed HB 1309 be rereferred to the **Conference Committee**, which motion prevailed. Pursuant to Rep. Dorso's motion, HB 1309 was rereferred.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1155.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1317, as engrossed:** Your conference committee (Sens. Thane, Watne, LaFountain and Reps. Kretschmar, Soukup, Delmore) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1222 and place HB 1317 on the Seventh order.

Engrossed HB 1317 was placed on the Seventh order of business on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2013, as engrossed:** Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2013 was placed on the Sixth order on the calendar.

Page 1, line 3, remove the second "and"

Page 1, line 5, after "instruction" insert "; to provide legislative intent; to provide for program reductions if federal programs are terminated or reduced; to require a performance audit; and to provide for a transfer

of funds from the abandoned motor vehicle fund and the public transportation fund"

Page 1, line 17, replace "9,853,211" with "9,653,211"

Page 1, line 18, replace "6,254,219" with "6,231,219"

Page 1, line 19, replace "559,315" with "553,315"

Page 1, after line 22, insert:

"Grants - revenue supplement payments 2,225,000"

Page 2, line 3, replace "138,069,345" with "137,899,405"

Page 2, line 4, replace "340,000" with "270,000"

Page 2, line 9, replace "672,440,091" with "674,196,151"

Page 2, line 10, replace "192,403,833" with "193,283,833"

Page 2, line 11, replace "480,036,258" with "480,912,318"

Page 2, line 17, replace "175,000" with "4,000"

Page 2, line 21, replace "4,109,676" with "3,938,676"

Page 2, line 22, replace "1,297,828" with "1,251,828"

Page 2, line 23, replace "2,811,848" with "2,686,848"

Page 2, line 26, replace "3,698,393" with "3,718,393"

Page 3, line 1, replace "4,571,252" with "4,591,252"

Page 3, line 3, replace "3,851,353" with "3,871,353"

Page 3, line 13, replace "488,936,498" with "489,707,558"

Page 3, line 14, replace "195,017,760" with "195,851,760"

Page 3, line 15, replace "683,954,258" with "685,559,318"

Page 5, after line 14, insert:

"SECTION 10. INTENT. It is the intent of the legislative assembly that no grants be provided by the state library to multitype library authorities until completion by the legislative council of a study of the library system in North Dakota, including the role and mission of the state library, cooperative library ventures, and research and information systems.

SECTION 11. FEDERAL PROGRAM REDUCTIONS AND TERMINATIONS - RELATED PROGRAM REDUCTIONS AND TERMINATIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1995-97 biennium terminates or reduces funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution shall terminate or reduce the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant that results in a reduction of total federal funds available for those programs, the administering agency, department, or institution shall prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer

funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council.

**SECTION 12. PERFORMANCE AUDIT.** The state auditor shall conduct, during the biennium beginning July 1, 1995, and ending June 30, 1997, a performance audit of the department of public instruction, to include a determination of the department's compliance with legislative intent. The state auditor shall present the findings of the performance audit to the legislative audit and fiscal review committee.

**SECTION 13. TRANSPORTATION AID - SPECIAL FUNDS - TRANSFER.** The estimated income line in subdivision 1 of section 1 of this Act includes the sum of \$250,000 from the abandoned motor vehicle fund and the sum of \$630,000 from the public transportation fund, or so much of the sums as may be necessary, that may be transferred at the direction of the superintendent of public instruction for the purpose of transportation aid for the biennium beginning July 1, 1995, and ending June 30, 1997."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

HOUSE - This amendment provides legislative intent that no grants be provided by the State Library to multitype library authorities until completion of an interim study. This amendment also requires that state programs be reduced or terminated if federal funds are reduced. This amendment also directs the State Auditor to conduct a performance audit of the Department of Public Instruction during the 1995-97 biennium. This amendment also makes the following changes:

	SENATE VERSION	INCREASE TRANSPORTATION AID <sup>1</sup>	TRANSFER GENERAL FUND AUTHORITY TO REVENUE SUPPLEMENT PAYMENTS LINE ITEM <sup>2</sup>	ADD GENERAL FUND AUTHORITY FOR REVENUE SUPPLEMENT PAYMENTS <sup>2</sup>	GENERAL FUND REDUCTIONS <sup>3</sup>	TOTAL HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$ 9,853,211				\$(200,000)	\$(200,000)	\$ 9,653,211
Operating expenses	6,254,219				(23,000)	(23,000)	6,231,219
Equipment	559,315				(6,000)	(6,000)	553,315
Capital improvements	35,000						35,000
Geographic education	50,000						50,000
Grants - Foundation aid and transportation	432,506,833	\$880,000	\$(880,000)				432,506,833
Grants - Revenue supplement payments	0		880,000	\$1,345,000		2,225,000	2,225,000
Grants - Guaranteed tax base equalization	0						0
Grants - Tuition apportionment	46,017,000						46,017,000
Grants - Special education	36,850,000						36,850,000
Grants - Efficiency grants	0						0
Grants - Other grants	138,069,345				(169,940)	(169,940)	137,899,405
Educational network	340,000				(70,000)	(70,000)	270,000
Teacher certification	399,251						399,251
Center for innovation and instruction	297,250						297,250
SENDIT Network	756,000						756,000
Prairie Public Broadcasting	452,667						452,667
Total	\$672,440,091	\$880,000	\$ 0	\$1,345,000	\$(468,940)	\$1,756,060	\$674,196,151
General fund	\$480,036,258			\$1,345,000	\$(468,940)	\$ 876,060	\$480,912,318
Special funds	<u>192,403,833</u>	<u>\$880,000</u>		<u>0</u>	<u>0</u>	<u>880,000</u>	<u>193,283,833</u>
Total	\$672,440,091	\$880,000	\$ 0	\$1,345,000	\$(468,940)	\$1,756,060	\$674,196,151
FTE	134.95						134.95

Per student payments:<sup>4</sup>

First year	\$1,778	\$1,778
Second year	\$1,901	\$1,901

<sup>1</sup> Transportation aid is increased by transfers from the following:

Abandoned motor vehicle fund	\$250,000
Public transportation fund	<u>630,000</u>
Total transfers	\$880,000

<sup>2</sup> General fund authority for transportation grants is reduced by \$880,000 and revenue supplement payments are increased by the same amount.

## General fund authority for revenue supplement payments is added as follows:

Transfer from transportation aid	\$ 880,000
Reductions from the Department of Public Instruction budget	468,940
Efficiency grants included in executive recommendation, but eliminated by Senate	263,059
General fund authority not previously contained in SB 2013	<u>613,001</u>
Total revenue supplement payments	\$2,225,000

<sup>3</sup> General fund authority is decreased for the following line items:

Salaries and wages for unspecified positions	\$200,000
Operating expenses - Travel	10,000
Operating expenses - Professional services	13,000
Equipment	6,000
Grants - Other grants - Telecommunications grants	150,000
Grants - Other grants - Drug-free schools	19,940
Educational network	<u>70,000</u>
Total line item reductions	\$468,940

<sup>4</sup> Based on the statutory changes and mill deducts provided in Senate Bill No. 2519, as amended by House Appropriations.

## DEPARTMENT 250 - STATE LIBRARY

HOUSE - This amendment provides legislative intent that no grants be provided to multitype library authorities until completion of an interim study. This amendment also makes the following changes:

	SENATE VERSION	REDUCE SPECIAL FUND AUTHORITY FOR DRIS POSITION <sup>1</sup>	TRANSFER GENERAL FUND AUTHORITY FROM MLA TO SALARIES AND WAGES <sup>2</sup>	REDUCE FUNDING FOR MLA <sup>3</sup>	TOTAL HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$1,660,013	\$(46,000)	\$ 46,000			\$1,660,013
Operating expenses	893,892					893,892
Equipment	22,500					22,500
Multitype library authority	175,000		(46,000)	\$(125,000)	\$(171,000)	4,000
Talking Book program	235,271					235,271
Grants to school libraries	75,000					75,000
Grants	<u>1,048,000</u>					<u>1,048,000</u>
Total	\$4,109,676	\$(46,000)	\$ 0	\$(125,000)	\$(171,000)	\$3,938,676
General fund	\$2,811,848			\$(125,000)	\$(125,000)	\$2,686,848
Special funds	<u>1,297,828</u>	<u>\$(46,000)</u>			<u>(46,000)</u>	<u>1,251,828</u>
Total	\$4,109,676	\$(46,000)	\$ 0	\$(125,000)	\$(171,000)	\$3,938,676
FTE	29				0	29

<sup>1</sup> The Senate reduced general fund authority and increased special fund authority by \$46,000 for the Dakota Radio Information Service (DRIS) radio broadcaster position. This amendment replaces the special fund authority with general fund authority.

<sup>2</sup> This amendment transfers \$46,000 general fund authority from the multitype library authority line item to the salaries and wages line item for the DRIS radio broadcaster position, reversing the transfer made by the Senate.

<sup>3</sup> This amendment removes \$125,000 general fund authority for multitype library authorities, which was added by the Senate.

## DEPARTMENT 252 - SCHOOL FOR THE DEAF

HOUSE - This amendment makes the following changes:

	SENATE VERSION	INCREASE GENERAL FUND AUTHORITY FOR SALARIES AND WAGES <sup>1</sup>	TOTAL HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,698,393	\$20,000	\$20,000	\$3,718,393
Operating expenses	828,949			828,949
Equipment	26,410			26,410
Capital improvements	<u>17,500</u>			<u>17,500</u>
Total	\$4,571,252	\$20,000	\$20,000	\$4,591,252
General fund	\$3,851,353	\$20,000	\$20,000	\$3,871,353
Special funds	<u>719,899</u>			<u>719,899</u>
Total	\$4,571,252	\$20,000	\$20,000	\$4,591,252
FTE	52.27			52.27

<sup>1</sup> General fund authority for salaries and wages is increased for additional temporary employees necessary to meet the needs of multihandicapped deaf students who are anticipated to be enrolled at the School for the Deaf during the 1995-97 biennium. Of the \$20,000 provided, \$5,000 is to be used for salaries and wages in auxiliary services.

## REPORT OF STANDING COMMITTEE

SB 2015, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MAJORITY of your committee (Reps. Bateman, Bernstein, Byerly, Carlisle, Clayburgh, Dalrymple, DeWitz, Freier, Gerntholz, Gorman, Hausauer, Howard, Kunkel, Martinson, Payne, Wald, Wentz) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS.

Page 1, line 8, after the semicolon insert "to create and enact a new section to chapter 65-04 of the North Dakota Century Code, relating to state agency participation in the workers compensation bureau risk management program;"

Page 1, line 9, replace "direct a study of" with "provide directives relating to 911 telephone services"

Page 1, line 10, remove "statewide emergency communication needs" and after the semicolon insert "to provide for program reductions if federal programs are terminated or reduced; to require the director of the information services division to receive budget section approval for mainframe computer enhancements; to provide for the implementation of governmental accounting standards in the budget process; to provide an expiration date;"

Page 2, replace lines 1 through 11 with:

"Administration	\$13,156,166
Fiscal management	3,688,883
Facility management	7,169,297
Central personnel	1,037,077
Intergovernmental assistance	<u>39,740,705"</u>

Page 2, line 12, replace "54,342,366" with "64,792,128"

Page 2, line 13, replace "40,889,766" with "51,585,645"

Page 2, line 14, replace "13,452,600" with "13,206,483"

Page 2, replace lines 17 through 20 with:

"Information resource management \$39,702,756"

Page 2, replace lines 24 through 26 with:

"Central services \$4,449,708"

Page 2, line 27, replace "4,348,298" with "4,449,708"

Page 2, line 28, replace "4,060,723" with "4,162,133"

Page 3, line 3, replace "2,300,080" with "2,088,600"

Page 3, line 4, replace "1,910,411" with "1,530,411"

Page 3, line 6, replace "4,313,492" with "3,722,012"

Page 3, line 7, replace "1,059,270" with "626,400"

Page 3, line 8, replace "3,254,222" with "3,095,612"

Page 3, line 9, replace "16,994,397" with "16,589,670"

Page 3, line 10, replace "85,712,515" with "96,076,934"

Page 3, line 11, replace "102,706,912" with "112,666,604"

Page 3, line 17, after the period insert "Income exceeding \$100,000 must be approved by the budget section."

Page 3, after line 17, insert:

**SECTION 3. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the director of the office of management and budget may transfer between various line items in subdivisions 1, 2, and 3 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 4. CAPITOL BUILDING FUND.** The amount of \$695,879, or so much of the sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is to be spent by the facility management division from the capitol building fund during the biennium beginning July 1, 1995, and ending June 30, 1997.

**SECTION 5. FACILITY MANAGEMENT - CAPITAL IMPROVEMENTS.** Of the amount included in the facility management line item in subdivision 1 of section 1 of this Act, \$200,000 is for legislative committee room renovations and an area adjacent to the capitol for smoking. The \$200,000 is to be spent by facility management pursuant to legislative council directive and approval."

Page 4, replace lines 23 and 24 with:

"Pay grade maximums may not be used to limit the amount of any increases under this section."

Page 5, remove lines 5 through 15

Page 5, remove line 24

Page 6, after line 4, insert:

"SECTION 12. A new section to chapter 65-04 of the North Dakota Century Code is created and enacted as follows:

State agency participation in risk management program. Before November 1, 1995, every state agency, institution, and entity employing twenty-five or more full-time equivalent employees shall submit to the bureau for approval a written risk management program under section 65-04-19.1. Before December 1, 1995, the bureau shall review the program and shall inform the state agency, institution, or entity of any change needed to receive the bureau's approval of the program. The state agency, institution, or entity shall make the necessary changes and shall implement the approved program before January 1, 1996. Beginning with the 1996 calendar year, every state agency, institution, and entity that maintains a risk management program approved by the bureau is entitled to a five percent annual premium discount under section 65-04-19.1."

Page 6, line 9, replace "29,281,000" with "35,444,748"

Page 6, replace lines 13 through 18 with:

"SECTION 15. STATE RADIO - 911 SERVICES. State radio communications shall eliminate its ongoing 911 services by June 30, 1997. After June 30, 1997, state radio communications may only provide backup 911 services to 911 centers on a temporary basis in the event of an emergency.

The adjutant general is to develop in conjunction with the North Dakota sheriffs association, peace officers association, 911 coordinators, association of counties, league of cities, North Dakota firemen's association, and North Dakota association of emergency medical technicians a plan to remove 911 services from state radio communications and offer possible options or alternatives regarding the eleven counties currently being served by state radio communications and submit a plan to the budget section at its June 1996 meeting. After receiving the report from the adjutant general, the budget section is to direct the office of management and budget on how to consolidate in the executive budget recommendations for the 1997-99 biennium state radio communications into the office of the adjutant general.

SECTION 16. FEDERAL PROGRAM REDUCTIONS AND TERMINATIONS - RELATED PROGRAM REDUCTIONS AND TERMINATIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1995-97 biennium terminates or reduces funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution shall terminate or reduce the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant that results in a reduction of total federal funds available for those programs, the administering agency, department, or institution shall prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council.

**SECTION 17. INFORMATION SERVICES DIVISION MAINFRAME COMPUTER ENHANCEMENTS.** During the 1995-97 biennium, the director of the information services division must receive budget section approval for any upgrade or enhancement to the information services division mainframe computer, when the upgrade or enhancement will cost more than \$50,000.

**SECTION 18. EXECUTIVE BUDGET - COMPLIANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS.** Beginning with the executive budget for the 1997-99 biennium, the office of management and budget is to prepare the executive budget in compliance with governmental accounting standards board statement Nos. 16 and 22. Any adjustments for budget purposes should be reflected the first business day of the 1997-99 biennium."

Page 6, line 19, replace "9" with "11"

Page 6, line 21, replace "Sections 7 and" with "Section", replace "9" with "11", and replace "are" with "is"

Page 6, line 22, after "be" insert "an" and replace "measures" with "measure"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - This amendment replaces the object code-based line items with program-based line items as follows:

	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$ 3,156,166	\$10,000,000	\$13,156,166
Fiscal management	3,688,883		3,688,883
Facility management	6,719,535	449,762	7,169,297
Central personnel	1,037,077		1,037,077
Intergovernmental assistance	<u>39,740,705</u>		<u>39,740,705</u>
Total	\$54,342,366	\$10,449,762	\$64,792,128
FTE	111.6	1	112.6

The amendment makes the following changes:

	SENATE VERSION	RESTORE VACANT POSITION	MAINTENANCE SHOP RENOVATIONS	LEGISLATIVE COMMITTEE ROOM RENOVATIONS AND SMOKING AREA	CHANGE FUNDING SOURCE FOR CAPITAL IMPROVEMENTS	EMERGENCY COMMISSION OTHER FUNDS	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$ 7,928,835	\$38,012					\$ 38,012	\$ 7,966,847
Operating expenses	6,141,788							6,141,788
Equipment	112,743							112,743
Capital improvements	639,000		\$211,750	\$200,000			411,750	1,050,750 <sup>1</sup>
Grants	38,643,000							38,643,000
State memberships	149,000							149,000
State contingencies	500,000					\$10,000,000	10,000,000	10,500,000
Firemen's association	63,000							63,000
Capital planning	25,000							25,000
Capital building contingency	100,000							100,000 <sup>1</sup>
Homeless grants	40,000							40,000
Total all funds	\$54,342,366	\$38,012	\$211,750	\$200,000	\$ 0	\$10,000,000	\$10,449,762	\$64,792,128
Less estimated income	40,889,766	0	0	0	695,879	10,000,000	10,695,879	51,585,645
Total general fund	\$13,452,600	\$38,012	\$211,750	\$200,000	\$(695,879)	\$ 0	\$(246,117)	\$13,206,483
FTE	111.6	1					1	112.6

<sup>1</sup> The appropriation includes funding for the following projects:

Replace carpeting in Heritage Center gallery and office areas in the Capitol tower	\$ 100,000
Re-roof portion of Liberty Memorial Building	15,000
Overhaul Judicial Wing chiller	98,000
ADA renovations	50,000
Renovations and repairs at Governor's residence	85,000
Replace carpeting in Department of Transportation building	96,000
Repair west walkway ramp on Department of Transportation building	40,000
Re-grout granite pavers and re-caulk steps and limestone	35,000
Agency office remodeling	50,000
Retrofit north and west side radiators with baseboard heat and insulation	70,000
Contingencies	100,000
Renovations to maintenance building	211,750
Legislative committee room renovations and area adjacent to Capitol for smoking	<u>200,000</u>
Total	\$1,150,750
Funds from Capitol building fund	<u>695,879</u>
General fund	\$ 454,871

The amendment also makes the following changes:

1. Replaces language limiting state employee pay increases to salary range maximums with language to not limit pay increases to salary range maximums.
2. Removes the section relating to transfers from the state aid distribution fund to the general fund for the 1993-95 biennium because 1993 House Bill No. 1005 already addresses the transfer.
3. Increases the transfer from the state aid distribution fund to the general fund for the 1995-97 biennium by \$6,163,748, from \$29,281,000 to \$35,444,748.
4. Creates a new section to the Century Code requiring state agencies employing 25 or more FTEs to participate in the Workers Compensation Bureau risk management program.
5. Adds a section providing that if federal funding for a program is terminated during the 1995-97 biennium, the administering state agency, department, or institution shall terminate the program. It also provides that if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize programs as necessary.
6. Adds a section directing that the Office of Management and Budget prepare all future executive budgets to be in compliance with Governmental Accounting Standards Board Statement Nos. 16 and 22, relating to state employee accumulated sick and annual leave and general fund revenues.
7. Adds a section providing that the \$200,000 for legislative committee room renovations and a smoking area are to be spent pursuant to Legislative Council approval and directive.

#### DEPARTMENT 112 - INFORMATION SERVICES DIVISION

HOUSE - This amendment replaces the object code-based line items with a program-based line item as follows:

	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Information Resource Management	\$39,702,756		\$39,702,756
FTE	146		146

The object code-based line items are as follows:

Salaries and wages	\$11,637,012		\$11,637,012
Operating expenses	22,833,344		22,833,344
Equipment	4,800,000		4,800,000
Communications impaired	<u>432,400</u>		<u>432,400</u>
Total special funds	\$39,702,756		\$39,702,756

The amendment also adds a section requiring that the director of the Information Services Division receive Budget Section approval for any mainframe changes costing more than \$50,000.

#### DEPARTMENT 118 - CENTRAL SERVICES

HOUSE - This amendment replaces the object code-based line items with a program-based line item as follows:

	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Central services	\$4,348,298	\$101,410	\$4,449,708
FTE	26	1	27

The amendment makes the following changes:

	SENATE VERSION	RESTORE VACANT POSITION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$1,510,700	\$101,410	\$101,410	\$1,612,110
Operating expenses	2,796,673			2,796,673
Equipment	<u>40,925</u>	<u>          </u>	<u>          </u>	<u>40,925</u>
Total all funds	\$4,348,298	\$101,410	\$101,410	\$4,449,708
Less estimated income	<u>4,060,723</u>	<u>101,410</u>	<u>101,410</u>	<u>4,162,133</u>
Total general fund appropriation	\$ 287,575	\$ 0	\$ 0	\$ 287,575
FTE	26	1	1	27

DEPARTMENT 506 - STATE RADIO COMMUNICATIONS

HOUSE - This amendment makes the following changes:

	SENATE VERSION	REMOVE FUNDING FOR STATEWIDE EMERGENCY COMMUNICATION NEEDS STUDY	REMOVE NEW POSITIONS ADDED IN EXECUTIVE BUDGET	TOTAL CHANGES	HOUSE VERSION
Salaries and wages	\$2,300,080		\$(211,480)	\$(211,480)	\$2,088,600
Operating expenses	1,910,411	\$(380,000)		(380,000)	1,530,411
Equipment	<u>103,001</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>103,001</u>
Total all funds	\$4,313,492	\$(380,000)	\$(211,480)	\$(591,480)	\$3,722,012
Less estimated income	<u>1,059,270</u>	<u>(380,000)</u>	<u>(52,870)</u>	<u>(432,870)</u>	<u>626,400</u>
Total general fund	\$3,254,222	\$ 0	\$(158,610)	\$(158,610)	\$3,095,612
FTE	34		(4)	(4)	30

The amendment also removes the section directing State Radio Communications to conduct a statewide comprehensive review of state and local emergency communication needs.

The amendment also adds a section directing State Radio Communications to discontinue its ongoing 911 services by June 30, 1997. After June 30, 1997, State Radio Communications may only provide temporary backup 911 services to other 911 centers. The Adjutant General is also to develop a plan to remove 911 services from State Radio Communications and to direct the Office of Management and Budget on how to consolidate State Radio Communications into the office of the Adjutant General for the 1997-99 biennium. The plan is to be submitted to the Budget Section at its June 1996 meeting.

**REPORT OF STANDING COMMITTEE**

**SB 2015, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MINORITY of your committee (Reps. Huether, Kaldor, Kroeber, Laughlin, Wilkie) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS.**

Page 1, line 8, after the semicolon insert "to create and enact a new section to chapter 65-04 of the North Dakota Century Code, relating to state agency participation in the workers compensation bureau risk management program;"

Page 1, line 9, replace "direct a study of" with "provide directives relating to 911 telephone services"

Page 1, line 10, remove "statewide emergency communication needs" and after the semicolon insert "to provide for program reductions if federal programs are terminated or reduced; to require the director of the information services division to receive budget section approval for mainframe computer enhancements; to provide for the implementation of governmental accounting standards in the budget process; to provide an expiration date;"

Page 2, replace lines 1 through 11 with:

"Administration	\$13,156,166
Fiscal management	3,688,883
Facility management	7,169,297
Central personnel	1,037,077
Intergovernmental assistance	<u>39,740,705"</u>

Page 2, line 12, replace "54,342,366" with "64,792,128"

Page 2, line 13, replace "40,889,766" with "51,585,645"

Page 2, line 14, replace "13,452,600" with "13,206,483"

Page 2, replace lines 17 through 20 with:

"Information resource management	<u>\$39,702,756"</u>
----------------------------------	----------------------

Page 2, replace lines 24 through 26 with:

"Central services	<u>\$4,449,708"</u>
-------------------	---------------------

Page 2, line 27, replace "4,348,298" with "4,449,708"

Page 2, line 28, replace "4,060,723" with "4,162,133"

Page 3, line 3, replace "2,300,080" with "2,088,600"

Page 3, line 4, replace "1,910,411" with "1,530,411"

Page 3, line 6, replace "4,313,492" with "3,722,012"

Page 3, line 7, replace "1,059,270" with "626,400"

Page 3, line 8, replace "3,254,222" with "3,095,612"

Page 3, line 9, replace "16,994,397" with "16,589,670"

Page 3, line 10, replace "85,712,515" with "96,076,934"

Page 3, line 11, replace "102,706,912" with "112,666,604"

Page 3, line 17, after the period insert "Income exceeding \$100,000 must be approved by the budget section."

Page 3, after line 17, insert:

**SECTION 3. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the director of the office of management and budget may transfer between various line items in subdivisions 1, 2, and 3 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 4. CAPITOL BUILDING FUND.** The amount of \$695,879, or so much of the sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is to be spent by the facility management division from the capitol building fund during the biennium beginning July 1, 1995, and ending June 30, 1997.

**SECTION 5. FACILITY MANAGEMENT - CAPITAL IMPROVEMENTS.** Of the amount included in the facility management line item in subdivision 1 of section 1 of this Act, \$200,000 is for legislative committee room renovations and an area adjacent to the capitol for smoking. The \$200,000 is to be spent by facility management pursuant to legislative council directive and approval."

Page 4, replace lines 23 and 24 with:

"Pay grade maximums may not be used to limit the amount of any increases under this section."

Page 5, remove lines 5 through 15

Page 5, remove line 24

Page 6, after line 4, insert:

**SECTION 12.** A new section to chapter 65-04 of the North Dakota Century Code is created and enacted as follows:

State agency participation in risk management program. Before November 1, 1995, every state agency, institution, and entity employing twenty-five or more full-time equivalent employees shall submit to the bureau for approval a written risk management program under section 65-04-19.1. Before December 1, 1995, the bureau shall review the program and shall inform the state agency, institution, or entity of any change needed to receive the bureau's approval of the program. The state agency, institution, or entity shall make the necessary changes and shall implement the approved program before January 1, 1996. Beginning with the 1996 calendar year, every state agency, institution, and entity that maintains a risk management program approved by the

bureau is entitled to a five percent annual premium discount under section 65-04-19.1."

Page 6, line 9, replace "29,281,000" with "35,444,748"

Page 6, replace lines 13 through 18 with:

**"SECTION 15. STATE RADIO - 911 SERVICES.** State radio communications shall eliminate its ongoing 911 services by June 30, 1999. After June 30, 1999, state radio communications may only provide backup 911 services to 911 centers on a temporary basis in the event of an emergency.

The adjutant general is to develop in conjunction with the North Dakota sheriffs association, peace officers association, 911 coordinators, association of counties, league of cities, North Dakota firemen's association, and North Dakota association of emergency medical technicians a plan to remove 911 services from state radio communications and offer possible options or alternatives regarding the eleven counties currently being served by state radio communications and submit a plan to the budget section at its June 1996 meeting. After receiving the report from the adjutant general, the budget section is to direct the office of management and budget on how to consolidate in the executive budget recommendations for the 1997-99 biennium state radio communications into the office of the adjutant general.

**SECTION 16. FEDERAL PROGRAM REDUCTIONS AND TERMINATIONS - RELATED PROGRAM REDUCTIONS AND TERMINATIONS - REPORTS TO THE BUDGET SECTION.** If the federal government during the 1995-97 biennium terminates or reduces funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution shall terminate or reduce the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant that results in a reduction of total federal funds available for those programs, the administering agency, department, or institution shall prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council.

**SECTION 17. INFORMATION SERVICES DIVISION MAINFRAME COMPUTER ENHANCEMENTS.** During the 1995-97 biennium, the director of the information services division must receive budget section approval for any upgrade or enhancement to the information services division mainframe computer, when the upgrade or enhancement will cost more than \$50,000.

**SECTION 18. EXECUTIVE BUDGET - COMPLIANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS.** Beginning with the executive budget for the 1997-99 biennium, the office of management and budget is to prepare the executive budget in compliance with governmental accounting standards board statement Nos. 16 and 22. Any adjustments for budget purposes should be reflected the first business day of the 1997-99 biennium."

Page 6, line 19, replace "9" with "11"

Page 6, line 21, replace "Sections 7 and" with "Section", replace "9" with "11", and replace "are" with "is"

Page 6, line 22, after "be" insert "an" and replace "measures" with "measure"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - This amendment replaces the object code-based line items with program-based line items as follows:

	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$ 3,156,166	\$10,000,000	\$13,156,166
Fiscal management	3,688,883		3,688,883
Facility management	6,719,535	449,762	7,169,297
Central personnel	1,037,077		1,037,077
Intergovernmental assistance	<u>39,740,705</u>		<u>39,740,705</u>
Total	\$54,342,366	\$10,449,762	\$64,792,128
FTE	111.6	1	112.6

The amendment makes the following changes:

	SENATE VERSION	RESTORE VACANT POSITION	MAINTENANCE SHOP RENOVATIONS	LEGISLATIVE COMMITTEE ROOM RENOVATIONS AND SHOKING AREA	CHANGE FUNDING SOURCE FOR CAPITAL IMPROVEMENTS	EMERGENCY COMMISSION OTHER FUNDS	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$ 7,928,835	\$38,012					\$ 38,012	\$ 7,966,847
Operating expenses	6,141,788							6,141,788
Equipment	112,743							112,743
Capital improvements	639,000		\$211,750	\$200,000			411,750	1,050,750 <sup>1</sup>
Grants	38,643,000							38,643,000
State memberships	149,000							149,000
State contingencies	500,000					\$10,000,000	10,000,000	10,500,000
Firemen's association	63,000							63,000
Capital planning	25,000							25,000
Capitol building contingency	100,000							100,000 <sup>1</sup>
Homeless grants	40,000							40,000
Total all funds	\$54,342,366	\$38,012	\$211,750	\$200,000	\$ 0	\$10,000,000	\$10,449,762	\$64,792,128
Less estimated income	40,889,766	0	0	0	695,879	10,000,000	10,695,879	51,585,645
Total general fund	\$13,452,600	\$38,012	\$211,750	\$200,000	\$(695,879)	\$ 0	\$ (246,117)	\$13,206,483
FTE	111.6	1					1	112.6
<sup>1</sup> The appropriation includes funding for the following projects:								
Replace carpeting in Heritage Center gallery and office areas in the Capitol tower			\$ 100,000					
Re-roof portion of Liberty Memorial Building			15,000					
Overhaul Judicial Wing chiller			98,000					
ADA renovations			50,000					
Renovations and repairs at Governor's residence			85,000					
Replace carpeting in Department of Transportation building			96,000					
Repair west walkway ramp on Department of Transportation building			40,000					
Re-grout granite pavers and re-caulk steps and limestone			35,000					
Agency office remodeling			50,000					
Retrofit north and west side radiators with baseboard heat and insulation			70,000					
Contingencies			100,000					
Renovations to maintenance building			211,750					
Legislative committee room renovations and area adjacent to Capitol for smoking			200,000					
Total			\$1,150,750					
Funds from Capitol building fund			695,879					
General fund			\$ 454,871					

The amendment also makes the following changes:

1. Replaces language limiting state employee pay increases to salary range maximums with language to not limit pay increases to salary range maximums.
2. Removes the section relating to transfers from the state aid distribution fund to the general fund for the 1993-95 biennium because 1993 House Bill No. 1005 already addresses the transfer.
3. Increases the transfer from the state aid distribution fund to the general fund for the 1995-97 biennium by \$6,163,748, from \$29,281,000 to \$35,444,748.
4. Creates a new section to the Century Code requiring state agencies employing 25 or more FTEs to participate in the Workers Compensation Bureau risk management program.
5. Adds a section providing that if federal funding for a program is terminated during the 1995-97 biennium, the administering state agency, department, or institution shall terminate the program. It also provides that if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize programs as necessary.
6. Adds a section directing that the Office of Management and Budget prepare all future executive budgets to be in compliance with Governmental Accounting Standards Board Statement Nos. 16 and 22, relating to state employee accumulated sick and annual leave and general fund revenues.
7. Adds a section providing that the \$200,000 for legislative committee room renovations and a smoking area are to be spent pursuant to Legislative Council approval and directive.

#### DEPARTMENT 112 - INFORMATION SERVICES DIVISION

HOUSE - This amendment replaces the object code-based line items with a program-based line item as follows:

	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Information Resource Management	\$39,702,756		\$39,702,756
FTE	146		146

The object code-based line items are as follows:

Salaries and wages	\$11,637,012	\$11,637,012
Operating expenses	22,833,344	22,833,344
Equipment	4,800,000	4,800,000
Communications impaired	<u>432,400</u>	<u>432,400</u>
Total special funds	\$39,702,756	\$39,702,756

The amendment also adds a section requiring that the director of the Information Services Division receive Budget Section approval for any mainframe changes costing more than \$50,000.

#### DEPARTMENT 118 - CENTRAL SERVICES

HOUSE - This amendment replaces the object code-based line items with a program-based line item as follows:

	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Central services	\$4,348,298	\$101,410	\$4,449,708
FTE	26	1	27

The amendment makes the following changes:

	SENATE VERSION	RESTORE VACANT POSITION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$1,510,700	\$101,410	\$101,410	\$1,612,110
Operating expenses	2,796,673			2,796,673
Equipment	<u>40,925</u>	<u>          </u>	<u>          </u>	<u>40,925</u>
Total all funds	\$4,348,298	\$101,410	\$101,410	\$4,449,708
Less estimated income	<u>4,060,723</u>	<u>101,410</u>	<u>101,410</u>	<u>4,162,133</u>
Total general fund appropriation	\$ 287,575	\$ 0	\$ 0	\$ 287,575
FTE	26	1	1	27

DEPARTMENT 506 - STATE RADIO COMMUNICATIONS

HOUSE - This amendment makes the following changes:

	SENATE VERSION	REMOVE FUNDING FOR STATEWIDE EMERGENCY COMMUNICATION NEEDS STUDY	REMOVE NEW POSITIONS ADDED IN EXECUTIVE BUDGET	TOTAL CHANGES	HOUSE VERSION
Salaries and wages	\$2,300,080		\$(211,480)	\$(211,480)	\$2,088,600
Operating expenses	1,910,411	\$(380,000)		(380,000)	1,530,411
Equipment	<u>103,001</u>				<u>103,001</u>
Total all funds	\$4,313,492	\$(380,000)	\$(211,480)	\$(591,480)	\$3,722,012
Less estimated income	<u>1,059,270</u>	<u>(380,000)</u>	<u>(52,870)</u>	<u>(432,870)</u>	<u>626,400</u>
Total general fund	\$3,254,222	\$ 0	\$(158,610)	\$(158,610)	\$3,095,612
FTE	34		(4)	(4)	30

The amendment also removes the section directing State Radio Communications to conduct a statewide comprehensive review of state and local emergency communication needs.

The amendment also adds a section directing State Radio Communications to discontinue its ongoing 911 services by June 30, 1999. After June 30, 1999, State Radio Communications may only provide temporary backup 911 services to other 911 centers. The Adjutant General is also to develop a plan to remove 911 services from State Radio Communications and to direct the Office of Management and Budget on how to consolidate State Radio Communications into the office of the Adjutant General for the 1997-99 biennium. The plan is to be submitted to the Budget Section at its June 1996 meeting.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

#### MOTION

REP. DORSO MOVED that the House stand in recess until 1:00 p.m., which motion prevailed.

#### HOUSE ENROSSING AND ENROLLING REPORT

The following bills and resolutions were engrossed and enrolled: HB 1129, HB 1376, HCR 3003, HCR 3023.

#### HOUSE ENROSSING AND ENROLLING REPORT

The following resolutions were enrolled: HCR 3010, HCR 3013, HCR 3016, HCR 3025, HCR 3030, HCR 3033, HCR 3039, HCR 3040.

#### REPORT OF STANDING COMMITTEE

SB 2519, as reengrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (17 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2519 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1327-1336 of the House Journal, Reengrossed Senate Bill No. 2519 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 15-40.1 and a new section to chapter 57-38 of the North Dakota Century Code, relating to additional payments for small but necessary schools, supplemental payments, increased weighting factors for students attending school out of state, and an optional contribution from individual and corporate income taxpayers to the elementary and secondary education support fund; to amend and reenact sections 15-40.1-06, 15-40.1-07, 15-40.1-08, and 15-40.1-09 of the North Dakota Century Code, relating to per student payments and the school district equalization factor, high school weighting factors, elementary weighting factors, and the computation of foundation aid; to provide for a legislative council study; to provide a continuing appropriation; and to provide an effective date.

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

SECTION 1. A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Per student payments for small but necessary schools. Per student payments made in accordance with sections 15-40.1-07 and 15-40.1-08 must be adjusted as follows:

1. For each elementary school that has less than fifty students and in which fifteen percent or more of the elementary students enrolled would have to travel beyond a fifteen-mile

[24.15-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15-40.1-08 must be increased by twenty percent for the first fifteen students. If the school has fewer than fifteen students, the payment received must be for fifteen students.

2. For each high school that has less than thirty-five students and in which fifteen percent or more of the high school students enrolled would have to travel beyond a twenty-mile [32.2-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15-40.1-07 must be increased by twenty percent for the first twenty students. If the school has fewer than twenty students, the payment received must be for twenty students.

**SECTION 2.** A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Per student payments for students attending school out of state. For each student attending school out of state in accordance with section 15-40.2-09, the weighting factors provided in sections 15-40.1-07 and 15-40.1-08 must be increased by twenty percent.

**SECTION 3. AMENDMENT.** Section 15-40.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**15-40.1-06. Declaration of legislative intent - Educational support per student - School district equalization factor - Limitations.**

1. It is the intent of the legislative assembly, not considering any separate and supplemental payments as may be provided by law, to support elementary and secondary education in this state from state funds based on the educational cost per student. In determining the educational cost per student, the following criteria may not be used:
  - a. Expenditures for capital outlay for buildings and sites, or debt service.
  - b. Expenditures from school activities and school lunch programs.
  - c. Expenditures for the cost of transportation, including the cost of schoolbuses.
2.
  - a. The educational support per student during the first year of the ~~1993-95~~ 1995-97 biennium must be one thousand ~~five~~ seven hundred ~~seventy~~ seventy-eight dollars and for the second year of the biennium the educational support per student must be one thousand ~~six~~ nine hundred ~~thirty-six~~ one dollars and is the basis for calculating grants-in-aid on a per student basis as provided in sections 15-40.1-07 and 15-40.1-08.
  - b. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 must be supported in the amount of two hundred twenty dollars, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07.

- c. School districts operating high schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1991, or that become unaccredited in any succeeding school year must be supported for the 1991-92 school year or for the first year that they become unaccredited in the amount of the educational support per student established in subdivision a, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07, but those school districts are not entitled to the amounts resulting from applying the factors in that section. The amount of aid a school district is entitled to under this subsection for each high school that is not accredited must be reduced by two hundred dollars times the number of students in the school for the second school year that the high school is unaccredited, and an additional two hundred dollars per student in the unaccredited school for each additional year the school remains unaccredited. Any high school that becomes accredited is entitled to the per student payments provided for in section 15-40.1-07 for the entire school year in which the school becomes accredited.
  - d. School districts operating elementary schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1992, or that become unaccredited in any succeeding school year must be supported for the 1992-93 school year or for the first year that they become unaccredited in the amount of the educational support per student established in subdivision a, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-08, except that the amount of aid that a school district is entitled to under this subsection for each elementary school that is unaccredited must be reduced by two hundred dollars times the number of students in the school each year that the elementary school is unaccredited. Any elementary school that becomes accredited is entitled to the per student payments provided for in section 15-40.1-08 for the entire school year in which the school becomes accredited.
3. In determining the amount of payments due school districts for tuition apportionment provided in section 15-44-03, and per student and transportation aid under this section, the amount of tuition apportionment, per student aid, and transportation aid for which a school district is eligible must be added together, and from that total, the following amounts must be subtracted:
    - a. The product of ~~twenty-three~~ thirty mills for the ~~1993-94~~ 1995-96 school year and ~~twenty-four~~ thirty-six mills for each year thereafter the 1996-97 school year times the latest available net assessed and equalized valuation of property of the school district. For succeeding school years, the number of mills to be used in the computation must be determined as follows:
      - (1) The superintendent of public instruction shall determine the percentage resulting from dividing the number of mills used in the computation the previous year by the state average school district general fund mill levy.

- (2) The superintendent of public instruction shall determine the amount of foundation aid estimated to be distributed during the current year and subtract from that the amount of foundation aid that was distributed during the prior year, and divide the result by the amount of foundation aid distributed during the prior year.
- (3) The superintendent of public instruction shall multiply the quotient determined under paragraph 2 by fifty percent and shall add this product to the percentage obtained in paragraph 1. This sum shall be multiplied times the state average school district general fund mill levy to determine the number of mills to be used in the computation provided in subdivision a. However, the number of mills used may not fall below thirty-six mills, nor rise above twenty-five percent of the state average school district general fund mill levy.
- b. The amount that the unobligated general fund balance of a school district on the preceding June thirtieth is in excess of three-fourths of the actual expenditures, plus an additional twenty thousand dollars.
4. No school district may receive foundation payments beyond the October payment unless the following reports have been filed with the superintendent of public instruction:
- Annual average daily membership report.
  - Annual school district financial report.
  - The September tenth fall enrollment report.
  - The personnel report forms for certified and noncertified employees.
5. No school district may receive the January foundation payment unless the taxable valuation and mill levy certifications are on file with the department of public instruction by December fifteenth.

**SECTION 4. AMENDMENT.** Section 15-40.1-07 of the North Dakota Century Code is amended and reenacted as follows:

**15-40.1-07. High school per student payments - Amount - Proportionate payments.** Payments must be made each year from state funds to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15-40.1-09, as follows:

- For each high school district having under seventy-five students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.625 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student as provided in section 15-40.1-06. Beginning July 1, ~~1994~~ 1996,

- the factor is ~~1.625 adjusted by fifty percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~
2. For each high school district having seventy-five or more, but less than one hundred fifty students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.335 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student provided in section 15-40.1-06. Beginning July 1, ~~1994~~ 1996, the factor is ~~1.335 adjusted by fifty percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~
  3. For each high school district having one hundred fifty or more, but less than five hundred fifty students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.24 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student provided in section 15-40.1-06. Beginning July 1, ~~1994~~ 1996, the factor is ~~1.24 adjusted by fifty percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~
  4. For each high school district having a total high school enrollment of five hundred fifty or more students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor 1.14 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school students in grades nine through twelve registered in that school district, times the educational support per student provided in section 15-40.1-06. Beginning July 1, ~~1994~~ 1996, the factor is ~~1.14 adjusted by fifty percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~
  5. For high schools having an approved alternative education program, the amount of money resulting from multiplying the factor in:
    - a. Subsection 1 times the number of students registered in the alternative education program, times the educational support per student provided in section 15-40.1-06, if

the alternative education program has less than seventy-five students in average daily membership.

- b. Subsection 2 times the number of students registered in the alternative education program, times the educational support per student provided in section 15-40.1-06, if the alternative education program has seventy-five or more, but less than one hundred fifty students in average daily membership.
- c. Subsection 3 times the number of students registered in the alternative education program, times the educational support per student provided in section 15-40.1-06, if the alternative education program has one hundred fifty or more, but less than five hundred fifty students in average daily membership.
- d. Subsection 4 times the number of students registered in the alternative education program times the educational support per student as provided in section 15-40.1-06 if the alternative education program has five hundred fifty or more students in average daily membership.

Every high school district must receive at least as much in total payments as it would have received if it had the highest number of students in the next lower category. Payments may not be made unless four or more units of standard high school work approved by the superintendent of public instruction are offered during the current year, only certificated teachers have been employed, and the other standards prescribed by this chapter have been met. Payments must be made to the high school district in which the student is enrolled for graduation and units of approved vocational education in accordance with the provisions of chapter 15-20.1, and other courses approved by the superintendent of public instruction, earned in another high school district must be included to meet the minimum four required units. In the case of students enrolled in nonpublic schools for graduation or students enrolled in less than four units of standard high school work who are in their fourth year of high school coursework and who are enrolled in approved alternative high school curriculum programs, proportionate payments must be made to the public school district in which the student is enrolled for specific courses. School districts offering high school summer school programs are eligible for proportionate payments provided each course offered satisfies requirements for graduation, comprises at least as many clock hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction. The superintendent may adopt rules regarding eligibility for school districts to receive proportionate payments for summer education programs.

**SECTION 5. AMENDMENT.** Section 15-40.1-08 of the North Dakota Century Code is amended and reenacted as follows:

**15-40.1-08. Elementary per student payments - Amount.** Payments must be made from state funds to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, employing teachers holding valid certificates or permits in accordance with section 15-47-46 and chapter 15-36, adjusted as provided in section 15-40.1-09, as follows:

1. ~~For each one room rural school, the amount of money resulting from multiplying the factor 1.28 adjusted by twenty five percent of the difference between 1.28 and the factor representing the five year average cost of education per student for this category, as determined by the~~

~~superintendent of public instruction, times the number of students in that school in grades one through eight in average daily membership, up to a maximum of sixteen students, times the educational support per student provided in section 15-40.1-06. There must be paid .9 times each additional student in its school in grades one through eight in average daily membership times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than twenty students in average daily membership. If the one room rural school is located in a school district with another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six as provided in subsections 2 through 4. If the one room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor for the students in grade seven or eight must be the same as that provided for in subsection 5. Beginning July 1, 1994, the factor is 1.28 adjusted by fifty percent of the difference between 1.28 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

- 2- For each elementary school in school districts having under one hundred students in average daily membership in grades one through six, the amount of money resulting from multiplying the factor 1.09 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades one through six in average daily membership in each classroom or for each teacher, ~~up to a maximum of twenty students per classroom or per teacher,~~ times the educational support per student provided in section 15-40.1-06. ~~There must be paid .9 times each additional student in that school in grades one through six in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than twenty-five students in average daily membership in each classroom or for each teacher. Beginning July 1, 1994~~ 1996, the factor is ~~1.09~~ adjusted by fifty percent of the difference between ~~1.09~~ and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
- 3- 2. For each elementary school in school districts having one hundred or more students in average daily membership in grades one through six, and provided the districts in which such schools are located have an average daily membership of less than one thousand elementary students in grades one through six, the amount of money resulting from multiplying the factor .905 adjusted by ~~twenty-five~~ seventy-five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades one through six in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than thirty students in average daily membership in each classroom or for each teacher. Beginning July 1, ~~1994~~ 1996, the factor is ~~.905~~ adjusted by

~~fifty percent of the difference between .905 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

- 4- ~~3.~~ For each elementary school in school districts having an average daily membership of one thousand or more elementary students in grades one through six, the amount of money resulting from multiplying the factor .95 adjusted by ~~twenty-five~~ seventy-five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades one through six in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than thirty students in average daily membership in each classroom or for each teacher. Beginning July 1, ~~1994~~ 1996, the factor is ~~.95 adjusted by fifty percent of the difference between .95 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction. Beginning July 1, 1995, the factor is .95 adjusted by seventy five percent of the difference between .95 and the five year average cost of education per student for this category, as determined by the superintendent of public instruction. Beginning July 1, 1996, the superintendent of public instruction shall establish the factor that reflects the five year average cost of education per student for this category.~~
- 5- ~~4.~~ For each of the above classes of elementary schools, ~~except for one room rural schools that are not located in a district with another school having students in grade seven or eight,~~ there must be paid to each school the amount of money resulting from multiplying the factor 1.01 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in grades seven and eight in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06, except that no payment may be made for more than thirty students in average daily membership in each classroom or for each teacher. Beginning July 1, ~~1994~~ 1996, the factor is ~~1.01 adjusted by fifty percent of the difference between 1.01 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~
- 6- ~~5.~~ For each elementary school having students under the compulsory age for school attendance, but not less than three years of age, in a special education program approved by the director of special education, the amount of money resulting from multiplying the factor 1.01 adjusted by ~~twenty-five~~ seventy-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of special education students in that school under the compulsory age for school attendance in average daily membership in each classroom or for each teacher times the educational support per student provided in section 15-40.1-06. Beginning July 1, ~~1994~~ 1996, the factor is ~~1.01~~

~~adjusted by fifty percent of the difference between 1.01 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.~~

- 7- 6. For each elementary school providing a kindergarten that is established according to provisions of section 15-45-01, the amount of money resulting from multiplying the factor .50 adjusted by ~~twenty-five~~ seventy-five percent of the difference between .50 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of students in that school in average daily membership in each classroom or for each teacher times the educational support per student, as provided under section 15-40.1-06, except that no payment may be made for more than twenty-five students in average daily membership in each classroom or for each teacher. The full per student payment may be made only to those kindergarten programs providing the equivalent of ninety full days of classroom instruction during any twelve-month period. Programs providing shorter periods of instruction during the same time period must receive a proportionately smaller per student payment. Beginning July 1, ~~1994~~ 1996, the factor is ~~.50 adjusted by fifty percent of the difference between .50~~ and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.

The superintendent of public instruction shall make proportionate payments to each public school district educating students who are also enrolled in nonpublic schools.

Every school district must receive at least as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.

SECTION 6. A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Supplemental payment to high school districts. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the district's latest available net assessed and equalized taxable valuation of property. If the quotient is less than the latest available statewide average taxable valuation per student and if the district's educational cost per student is below the most recent available statewide average cost of education per student, the superintendent of public instruction shall:

1. Determine the difference between the latest available statewide average taxable valuation per student and the average valuation per student in the high school district;
2. Multiply the result determined under subsection 1 by the number of students in average daily membership in grades one through twelve in the high school district;
3. Multiply the result determined under subsection 2 by the number of general fund mills levied by the district in excess of one hundred thirty-five, provided that any mills levied by the district which are in excess of two hundred may not be used in this calculation; and

4. Multiply the result determined at under subsection 3 by twenty-five percent. The result is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15-40.1.

**SECTION 7. AMENDMENT.** Section 15-40.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**15-40.1-09. Application for payments - Verification and determination of payments for high school students - Report of county superintendent of schools - Appeal.** Immediately upon the completion of the registration of students at the beginning of each school term and in no event later than September tenth of each year, the business manager of each school district within or without this state which is claiming payments from state funds under the provisions of this chapter shall file with the county superintendent of schools a claim on a form prescribed by the superintendent of public instruction stating the number of students registered in high school and elementary grades for which payments are claimed, and such other information as may be reasonably requested by the superintendent of public instruction. Not later than December first, the superintendent of public instruction shall certify to the office of management and budget a list of the school districts and schools not operated by school districts entitled to payments from state funds, together with the amounts to which the several districts and schools are entitled. Per student aid as provided under sections 15-40.1-06, 15-40.1-07, and 15-40.1-08 must be computed on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever ~~is greater~~ provides the greatest payment, for all current grade levels. Adjustments must be made in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's foundation aid payments. For purposes of this chapter, "average daily membership" shall mean the total days all students in a given school are in attendance, including days set aside for the North Dakota education association convention, plus any three holidays selected from those listed in subsections 2 through 10 of section 15-38-04.1 which have been decided upon after consultation with the teachers, the total days all students are absent, and the two parent-teacher conference days authorized in section 15-47-33, divided by one hundred eighty days. School districts educating children of agricultural migratory workers or offering high school summer school programs during the months of June, July, and August shall not be restricted to payments for a one hundred eighty-day school term.

Immediately upon the termination of the school term and in no event later than July fifteenth of each year, the business manager of each school district within or without this state which has received payments from state funds under the provisions of this chapter shall file with the county superintendent of schools a verified statement of the name, residence, and membership of elementary and high school students as provided for in this section, and number of units of high school work taken by each high school student enrolled during the previous school year. The statement shall be attested to by the county superintendent of schools. The county superintendent shall investigate the validity of the statement and shall determine the residence and other qualifications of each student named in the statement. The county superintendent shall certify to the superintendent of public instruction on or before September first of each year the number of enrolled students in each district in the county for the previous

school year upon which any adjustment may be based as provided in this section. If any statement is disallowed in whole or in part, notice of the disallowance and the names of students who are disallowed shall be reported to the superintendent of public instruction and to the district filing the statement. Any district may appeal to the superintendent of public instruction from the determination of the county superintendent of schools on or before September fifteenth in the year in which the determination is made. The superintendent of public instruction may change or modify the determination of the county superintendent if the evidence submitted by the district warrants a modification. The judgment of the superintendent of public instruction shall be final.

**SECTION 8.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Optional contributions to elementary and secondary education support fund - Continuing appropriation. An individual or corporate taxpayer may designate on the tax return a contribution to the elementary and secondary education support fund in any amount of one dollar or more to be added to the tax liability or deducted from any refund that would otherwise be payable by or to the individual or corporation. On all state income tax returns the tax commissioner shall notify the taxpayer of this optional contribution. The amount of optional contributions under this section must be transferred by the tax commissioner to the state treasurer for deposit in the elementary and secondary education support fund. Whenever the elementary and secondary education support fund reaches a balance of one hundred thousand dollars, the office of management and budget shall distribute all moneys received under this section to the public school districts of this state in the same manner as moneys are distributed from the state tuition fund, based upon the certification of the superintendent of public instruction. The amounts provided for in this section are appropriated for this purpose as a standing and continuing appropriation.

**SECTION 9. LEGISLATIVE COUNCIL STUDY OF EDUCATION FINANCE.** The legislative council shall appoint a committee consisting of fifteen members to study the financing of elementary and secondary schools. The house majority leader shall recommend six house members from the majority party and the house minority leader shall recommend three house members from the minority party. The senate majority leader shall recommend four senate members from the majority party and the senate minority leader shall recommend two senate members from the minority party. The legislative council shall ensure that the committee contains a balanced representation. During the 1995-96 interim, the committee shall review the formulas used to equalize state aid including formulas for student transportation and special education, funding sources that would be alternatives to property tax, and any other issues related to the financing of elementary and secondary schools. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the fifty-fifth legislative assembly.

**SECTION 10. EFFECTIVE DATE.** Section 8 of this Act is effective for taxable years beginning after December 31, 1994."

ReNUMBER accordingly

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

## SEVENTH ORDER OF BUSINESS

## MOTION

REP. KROEBER MOVED that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2015.

## REQUEST

REP. KROEBER REQUESTED a recorded roll call vote on the motion that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2015, which request was granted.

## MOTION

REP. CLAYBURGH MOVED the previous question, which motion prevailed.

## ROLL CALL

The question being on the motion that the report of the Minority be substituted for the report of the Majority on Engrossed SB 2015, the roll was called and there were 41 YEAS, 56 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Boucher; Christenson; Coats; Dalrymple; DeKrey; Delmore; Dobrinski; Drovdal; Freier; Galvin; Glassheim; Grumbo; Gulleston; Hagle; Hanson; Henegar, K.; Huether; Jacobs; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kliniske; Kretschmar; Kroeber; Laughlin; Mahoney; Maragos; Mutzenberger; Nichols; Oban; Retzer; Rydell; Sandvig; Schimke; Schmidt; Sitz; Wilkie

NAYS: Austin; Bateman; Berg; Bernstein; Boehm; Brown; Byerly; Carlisle; Carlson; Christopherson; Clark; Clayburgh; Delzer; DeWitz; Dorso; Froseth; Gerntholz; Gorder; Gorman; Grosz; Gunter; Hausauer; Holm; Howard; Johnson; Klein; Koppelman; Kunkel; Lloyd; Martinson; Mickelson; Monson; Nicholas; Nottestad; Olson; Payne; Poolman; Price; Rennerfeldt; Sabby; Shide; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Timm; Tollefson; Torgerson; Wald; Walker; Wardner; Wentz; Speaker Martin

ABSENT AND NOT VOTING: Henegar, D.

The motion that the report of the Minority be substituted for the report of the Majority failed.

## RULING BY THE SPEAKER

SPEAKER MARTIN RULED that since the motion to substitute the report of the Minority for the report of the Majority on Engrossed SB 2015 failed, the report of the Majority would place Engrossed SB 2015 on the Sixth order on today's calendar.

## SIXTH ORDER OF BUSINESS

SB 2015, as engrossed: REP. DALRYMPLE (Appropriations Committee) MOVED that the Majority report amendments on Engrossed SB 2015 be adopted and then be placed on the Fourteenth order with DO PASS, which motion prevailed.

## SECOND READING OF SENATE BILL

SB 2015: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide a statement of legislative intent relating to state employee compensation adjustments; to provide a statement of legislative intent relating to program-based performance budgeting; to authorize transfer of various special funds to the general fund; to create and enact a new section to chapter 65-04 of the North Dakota Century Code, relating to state agency participation in the workers compensation bureau risk management program; to amend and reenact section 54-27.2-02 of the North Dakota Century Code, relating to the budget stabilization fund;

to provide directives relating to 911 telephone services; to provide for program reductions if federal programs are terminated or reduced; to require the director of the information services division to receive budget section approval for mainframe computer enhancements; to provide for the implementation of governmental accounting standards in the budget process; to provide an expiration date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 74 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Austin; Bateman; Belter; Berg; Bernstein; Boehm; Brown; Byerly; Carlisle; Carlson; Christopherson; Clark; Clayburgh; Dalrymple; DeKrey; Delmore; Delzer; DeWitz; Dobrinski; Dorso; Drovdal; Froseth; Gerntholz; Gorder; Gorman; Grosz; Gunter; Hausauer; Henegar, K.; Holm; Howard; Huether; Jacobs; Johnson; Keiser; Kempenich; Kerzman; Klein; Kliniske; Koppelman; Kunkel; Lloyd; Maragos; Martinson; Mickelson; Monson; Mutzenberger; Nicholas; Nichols; Nottestad; Olson; Payne; Poolman; Price; Rennerfeldt; Retzer; Sabby; Schmidt; Shide; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Timm; Tollefson; Torgerson; Wald; Walker; Wardner; Wentz; Speaker Martin

**NAYS:** Aarsvold; Boucher; Christenson; Coats; Freier; Galvin; Glasheim; Grumbo; Gulleson; Hagle; Hanson; Kaldor; Kelsch; Kretschmar; Kroeber; Laughlin; Mahoney; Oban; Rydell; Sandvig; Schimke; Sitz; Wilkie

**ABSENT AND NOT VOTING:** Henegar, D.

Engrossed SB 2015, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2015.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** HB 1309 has been rereferred back to conference committee by the Senate.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The Senate has rereferred SB 2455 back to conference committee.

#### SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled resolution: HCR 3019.

#### MOTION

**REP. DORSO MOVED** that Engrossed SB 2015, as amended, be messaged to the Senate immediately, which motion prevailed.

#### THE HOUSE RECOGNIZED THE PRESENCE OF:

Former Representative John Hokana.

#### MOTION

**REP. DORSO MOVED** that the House stand in recess until 4:00 p.m., which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1005, as engrossed:** Your conference committee (Sens. Solberg, Nething, Mushik and Reps. Wald, Payne, Kaldor) recommends that the **HOUSE ACCEDE**

to the Senate amendments on HJ pages 1438-1445 and place HB 1005 on the Seventh order.

Engrossed HB 1005 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1168, as engrossed:** Your conference committee (Sens. W. Stenehjem, Traynor, C. Nelson and Reps. Stenehjem, Kretschmar, Mahoney) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1221 and place HB 1168 on the Seventh order.

Engrossed HB 1168 was placed on the Seventh order of business on the calendar.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The President has appointed Sen. Lips to replace Sen. Nething on the Conference Committee on HB 1001.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1041, HB 1064, HB 1094, HB 1134, HB 1207, HB 1221, HB 1250, HB 1298, HB 1300, HB 1329.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2074, SB 2209, SB 2442.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2074, as engrossed:** Your conference committee (Sens. Freborg, Christmann, Yockim and Reps. DeKrey, Brown, Gulleson) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 911-912, adopt amendments as follows, and place SB 2074 on the Seventh order:

That the House recede from its amendments as printed on pages 911 and 912 of the Senate Journal and pages 929 and 930 of the House Journal and that Engrossed Senate Bill No. 2074 be amended as follows:

Page 1, line 1, replace "sections 57-02.1-02," with "subsection 1 of section", remove the second comma, and after the second "and" insert "section"

Page 1, remove lines 5 through 14

Page 1, line 15, replace "Section" with "Subsection 1 of section"

Page 1, remove lines 17 and 18

Page 1, line 21, remove the overstrike over "~~counties~~" and remove "taxing districts in each county"

Page 2, line 8, remove "taxing"

Page 2, line 9, remove "districts in the"

Page 2, line 12, remove "the"

Page 2, line 13, remove "taxing districts in"

Page 2, line 14, remove the overstrike over "~~No~~", remove "Taxing districts in a", and remove "not"

Page 2, remove lines 18 through 22

Page 2, line 25, remove the overstrike over "~~counties~~" and remove "taxing districts"

Page 2, remove the overstrike over lines 26 through 28

Page 2, line 29, remove the overstrike over "~~district wherein the property subject to valuation is located.~~"

Page 3, line 1, remove the overstrike over "~~remaining after apportionment to the county level~~"

Page 3, line 6, after the period insert "However, if the property subject to valuation is leased or held by lease or license from the United States, the payment made by the director of the game and fish department must be apportioned and distributed among the various taxing districts, other than the county, in which the property for which payments are made is located, by the county auditor upon a pro rata basis to be determined according to the proportion the assessed value of the property subject to valuation in each taxing district bears to the total assessed value of all such property subject to valuation within the county."

Re-number accordingly

Engrossed SB 2074 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2209, as engrossed:** Your conference committee (Sens. Schobinger, Wanzek, O'Connell and Reps. Rydell, Johnson, Nichols) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1164-1165, adopt amendments as follows, and place SB 2209 on the Seventh order:

That the House recede from its amendments as printed on pages 1164 and 1165 of the Senate Journal and pages 1181 and 1182 of the House Journal, and that Engrossed Senate Bill No. 2209 be amended as follows:

Page 2, line 27, after "levies" insert ", except those to retire bonded debt existing before the annexation or attachment"

Page 3, line 2, after "from" insert ", except those to retire bonded debt existing before the annexation"

Page 8, line 7, after the period insert "A school district may become involved in a reorganization proposal by a majority vote of its school board members." and after "districts" insert "that have voted to become involved in the reorganization proposal."

Page 8, remove line 8

Page 14, line 7, after the underscored period insert "In addition, no annexation petitions involving any of the same territory may be filed with the county superintendent."

Re-number accordingly

Engrossed SB 2209 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2442, as engrossed:** Your conference committee (Sens. Urlacher, Watne, Mathern and Reps. Froseth, Kretschmar, Glassheim) recommends that the HOUSE RECEDE from the House amendments on SJ pages 932-934, adopt amendments as follows, and place SB 2442 on the Seventh order:

That the House recede from its amendments as printed on pages 932-934 of the Senate Journal and pages 932-935 of the House Journal and that Engrossed Senate Bill No. 2442 be amended as follows:

Page 1, line 9, remove ", after publishing notice as provided in section"

Page 1, line 10, remove "21-03-26,"

Page 2, line 10, after the period insert "The initial resolution authorizing issuance of bonds under this subsection must be published in the official newspaper of the municipality. Within sixty days after publication, an owner of taxable property within the municipality may file with the auditor or chief fiscal officer of the municipality a written protest against adoption of the resolution. A protest must describe the property that is the subject of the protest. If the governing body finds protests have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property in the municipality, as most recently finally equalized, all further proceedings under the initial resolution are barred."

Renumber accordingly

Engrossed SB 2442 was placed on the Seventh order of business on the calendar.

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

#### SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills and resolutions: HB 1129, HB 1376, HCR 3003, HCR 3010, HCR 3013, HCR 3016, HCR 3023, HCR 3025, HCR 3030, HCR 3033, HCR 3039, HCR 3040.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1129, HB 1376, HCR 3003, HCR 3010, HCR 3013, HCR 3016, HCR 3023, HCR 3025, HCR 3030, HCR 3033, HCR 3039, HCR 3040.

#### SIXTH ORDER OF BUSINESS

**SB 2519, as reengrossed: REP. DALRYMPLE (Appropriations Committee) MOVED** that the amendments to Reengrossed SB 2519 be adopted and then be placed on the Fourteenth order with **DO PASS**.

#### MOTION

**REP. GULLESON MOVED** that Reengrossed SB 2519, which is on the Sixth order, be laid over one legislative day, which motion failed.

The question was on the adoption of the amendments to Reengrossed SB 2519, which motion prevailed on a verification vote.

#### MOTION

**REP. FREIER MOVED** that the House waive the reading of the title to Reengrossed SB 2519, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2519:** A BILL for an Act to create and enact three new sections to chapter 15-40.1 and a new section to chapter 57-38 of the North Dakota Century Code, relating to additional payments for small but necessary schools, supplemental payments, increased weighting factors for students attending school out of state, and an optional contribution from individual and corporate income taxpayers to the elementary and secondary education support fund; to amend and reenact sections 15-40.1-06, 15-40.1-07, 15-40.1-08, and 15-40.1-09 of the North Dakota Century Code, relating to per student payments and the school district equalization factor, high school weighting factors, elementary

weighting factors, and the computation of foundation aid; to provide for a legislative council study; to provide a continuing appropriation; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 74 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Austin; Belter; Berg; Bernstein; Boucher; Brown; Byerly; Carlisle; Carlson; Christenson; Christopherson; Clark; Clayburgh; Dalrymple; Delmore; DeWitz; Dorso; Drovdal; Froseth; Galvin; Gerntholz; Glassheim; Gorde; Gorman; Grumbo; Gunter; Hanson; Hausauer; Henegar, K.; Holm; Howard; Huether; Jacobs; Keiser; Kelsch; Kempenich; Klein; Kliniske; Koppelman; Kroeber; Kunkel; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Mutzenberger; Nicholas; Nottestad; Oban; Payne; Poolman; Price; Rennerfeldt; Retzer; Rydell; Sabby; Sandvig; Shide; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Timm; Tollefson; Wald; Walker; Wardner; Wentz; Wilkie; Speaker Martin

**NAYS:** Aarsvold; Bateman; Boehm; Coats; DeKrey; Delzer; Dobrinski; Freier; Grosz; Gulleson; Hagle; Johnson; Kaldor; Kerzman; Kretschmar; Laughlin; Monson; Nichols; Olson; Schimke; Schmidt; Sitz; Torgerson

**ABSENT AND NOT VOTING:** Henegar, D.

Reengrossed SB 2519, as amended, passed and the title was agreed to.

\*\*\*\*\*

#### MOTION

**REP. DORSO MOVED** that Reengrossed SB 2519, as amended, be messaged to the Senate immediately, which motion prevailed.

#### MOTION

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

#### MOTION

**REP. FREIER MOVED** that the House be on the Fifth, Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Monday, April 3, 1995, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1367, as engrossed:** Your conference committee (Sens. Watne, Urlacher, Mathern and Reps. Froseth, Maragos, Delmore) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1223 and place HB 1367 on the Seventh order.

Engrossed HB 1367 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1439, as engrossed:** Your conference committee (Sens. W. Stenehjem, Traynor, C. Nelson and Reps. Kelsch, Kretschmar, Mahoney) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1464-1465 and place HB 1439 on the Seventh order.

Engrossed HB 1439 was placed on the Seventh order of business on the calendar.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The House has amended and subsequently passed: SB 2519.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2012 and SB 2080 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2012:** Sens. St. Aubyn; Nalewaja; Mushik

**SB 2080:** Sens. Nething; W. Stenehjelm; Tallackson

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The President has appointed as a conference committee to act with a like committee from the House on:

**HB 1003:** Sens. Nething; Solberg; Tallackson

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2059 and SB 2519 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2059:** Sens. Freborg; Grindberg; O'Connell

**SB 2519:** Sens. Freborg; Grindberg; O'Connell

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2349.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2349, as engrossed:** Your conference committee (Sens. Traynor, Watne, LaFountain and Reps. Berg, Johnson, Boucher) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1048-1049, adopt amendments as follows, and place SB 2349 on the Seventh order:

That the House recede from its amendments as printed on pages 1048 and 1049 of the Senate Journal and page 117 of the House Journal, and that Engrossed Senate Bill No. 2349 be amended as follows:

Page 5, line 6, after the period insert "The secretary of state, or any employee or legal representative of the secretary of state, may not disclose the information reported under subsections 6, 7, and 8 to any person, except a person who is verified to be a shareholder of the corporation or a legal representative of the shareholder for which information is requested or to the tax commissioner or any employee or legal representative of the tax commissioner, who may not disclose the information and may use the information only for the administration of the tax laws."

Page 7, line 20, after "hundred" insert "thirty-five"

Re-number accordingly

Engrossed SB 2349 was placed on the Seventh order of business on the calendar.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for his approval at the hour of 5:00 p.m., March 31, 1995: HB 1051, HB 1194, HB 1228, HB 1243, HB 1337, HB 1339, HB 1342, HB 1343, HB 1349, HB 1355, HB 1356, HB 1374, HB 1385, HB 1419, HB 1435, HB 1459.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. SPEAKER:** Your Committee on Correction and Revision of the Journal (Rep. Drovdal, Chairman) has carefully examined the Journal of the Sixty-first Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1521, line 12, delete "carried" and insert "lost"

REP. AARSVOLD MOVED that the report be adopted, which motion prevailed.

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

ROY GILBREATH, Chief Clerk