

## JOURNAL OF THE SENATE

## Fifty-fourth Legislative Assembly

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Bismarck, April 7, 1995

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

The prayer was offered by Senator Judy Lee.

The roll was called and all members were present except Senators Langley and Tallackson.

A quorum was declared by the President.

## REPORT OF CONFERENCE COMMITTEE

**SB 2080, as reengrossed:** Your conference committee (Sens. Nething, Solberg, Tallackson and Reps. Dalrymple, Wald, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1493-1497, adopt amendments as follows, and place Reengrossed SB 2080 on the Seventh order:

That the House recede from its amendments as printed on pages 1493-1497 of the Senate Journal and pages 1555-1559 and 1595-1599 of the House Journal and that Reengrossed Senate Bill No. 2080 be amended as follows:

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

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

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 18, after "state" insert "or a state employee"

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 1, replace "acts" with "act"

Page 18, line 3, after "from" insert "any injury caused by a", replace "animals" with "animal", and replace "their" with "its"

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 act 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, 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, sections 15-10-17.2, 32-12.1-15, and 54-14-03.2 are suspended only through July 31, 1997, and on August 1, 1997, those sections become effective as they existed immediately before the effective date of this Act."

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 program 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:

Risk management	\$1,207,000
Total special funds appropriation	\$1,207,000"

Page 26, replace lines 2 and 3 with:

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

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 are effective through July 31, 1997, and after that date are ineffective."

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 and the \$525,000 appropriation from the risk management fund for the Attorney General's office legal services are 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	<u>528,000<sup>1</sup></u>	
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. The Attorney General's office is authorized one FTE position for providing these services. If necessary, the Attorney General may request Emergency Commission approval under Section 54-16-04.2 of the North Dakota Century Code to receive and spend collections from the Office of Management and Budget or to request authorization for additional FTE positions 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.

Reengrossed SB 2080 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SEN. NETHING MOVED** that the conference committee report on Reengrossed SB 2080 be adopted.

#### REQUEST

**SEN. W. STENEHJEM REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on Reengrossed SB 2080, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed SB 2080, the roll was called and there were 19 YEAS, 28 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Freborg; Goetz; Grindberg; Holmberg; Kinnoin; Lee; Mutch; Nalewaja; Nelson, G.; Nething; Sand; Schobinger; Solberg; St. Aubyn; Streibel; Tennefos; Urlacher

**NAYS:** Christmann; DeMers; Heinrich; Heitkamp; Kelsh; Krauter; Krebsbach; Kringstad; LaFountain; Lindaas; Lips; Mathern; Mushik; Naaden; Nelson, C.; O'Connell; Redlin; Robinson; Scherber; Stenehjem, B.; Stenehjem, W.; Thane; Tomac; Traynor; Wanzen; Watne; Wogsland; Yockim

**ABSENT AND NOT VOTING:** Langley; Tallackson

The conference committee report on Reengrossed SB 2080 failed.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2080.

#### MOTION

**SEN. GOETZ MOVED** that Engrossed SB 2059 be placed at the top of the calendar, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2059, as engrossed:** Your conference committee (Sens. Freborg, Grindberg, O'Connell and Reps. Rydell, Dalrymple, Kaldor) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1484-1485, adopt amendments as follows, and place Engrossed SB 2059 on the Seventh order:

That the House recede from its amendments as printed on pages 1484 and 1485 of the Senate Journal and pages 1580 and 1581 of the House Journal and that Engrossed Senate Bill No. 2059 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "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.

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

**SECTION 1. AMENDMENT.** Section 15-27.3-10 of the North Dakota Century Code is amended and reenacted as follows:

15-27.3-10. Transportation required provisions effective until changed. A Any provision in a reorganization proposal must provide for relating to the transportation of students and must specify if family type or public schoolbus type of transportation shall be used, and if the proposal is approved by the voters of the new district, then the school board of the district shall provide adequate and practical transportation of the type specified, except that if family type transportation is specified, the school board may later substitute public schoolbus type transportation. A reorganized school district shall establish a schedule of transportation payments as is proper under the circumstances affecting that district, but the schedule of payments may not be less than the amount determined under subsection 2 of section 15 40.1 16 for state aid for family type transportation effective before August 1, 1995, must remain in effect until changed in accordance with section 15-27.3-19.

**SECTION 2. AMENDMENT.** Section 15-27.3-19 of the North Dakota Century Code is amended and reenacted as follows:

**15-27.3-19. Changes in reorganization proposal.** At any time after the reorganization proposal has become effective, any provision of the reorganization proposal, including provisions affecting the adjustment of assets and liabilities but excepting provisions defining the boundaries of the district, may be changed by a majority vote of the qualified electors without approval of the state board or the county committee. The school board in the reorganized district may, upon its own motion, or shall, upon the filing with it of a petition signed by qualified electors equal in number to twenty percent of the persons enumerated in the most recent school district census, unless the census is greater than four thousand, in which case only fifteen percent of the number of persons enumerated in the school census is required, submit the question of authorizing a change in the school district's adopted reorganization proposal at the next regular or special election. However, not fewer than twenty-five signatures of qualified electors is required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In districts with fewer than twenty-five qualified electors, the county superintendent for the county in which the school is located shall determine the number of qualified electors in the district. If a majority of all votes cast by the electors residing in ~~each of the geographic areas~~ district is in favor of the proposed change, then the proposed change is effected. If a reorganization plan has been in effect for at least ten years, any proposed change to geographic voting areas is effective upon a majority vote in an election at large by the qualified electors of the district. A school board in a reorganized school district may change, by resolution, to at large voting for school board candidates if there is a variance of more than ten percent in the population between any of the district's established geographic areas with resident candidates.

**SECTION 3. AMENDMENT.** Section 15-27.3-20 of the North Dakota Century Code is amended and reenacted as follows:

**15-27.3-20. Powers of school board in reorganized district - Exceptions.** After five years from the effective date of the reorganization proposal, the school board of a reorganized district shall exercise the powers granted to a school board by section 15-29-08 or any other provisions of law regardless of limitations contained in the reorganization proposal. This section does not authorize the school board of a reorganized district to exercise any powers prohibited or limited by section ~~15-27.3-10~~, 15-27.3-17, or 15-27.3-19.

SECTION 4. AMENDMENT. Section 15-40.1-16 of the North Dakota Century Code is amended and reenacted as follows:

**15-40.1-16. Aid for transportation.**

1. There must be paid from state funds to each school district providing schoolbus transportation in contract schoolbuses or in district-owned and operated schoolbuses, and to school districts with students riding commercial buses to and from school ~~within the incorporated limits of a city,~~ the following amounts:
  - a. For schoolbuses and school vehicles transporting students who live outside the incorporated limits of the city in which ~~the students' school the student is enrolled~~ is located, a sum equal to twenty-five cents per mile [1.61 kilometers] for vehicles having a capacity of nine or fewer students and sixty-seven cents per mile [1.61 kilometers] for schoolbuses having a capacity of ten or more students and for schoolbuses and school vehicles transporting students who live within the incorporated limits of a city in which the students' school is located, a sum equal to twenty-five cents per mile [1.61 kilometers]. School districts qualifying for payments for buses having a capacity of ten or more students are entitled to an amount equal to ~~twenty-eight~~ forty cents per day for each public school student living outside the city limits who is transported in such buses.
  - b. For students who ride schoolbuses or commercial buses to or from school and who live within the incorporated limits of the city within which the school that the students attend is located, a sum equal to ~~seventeen and one-half~~ twenty cents per student per one-way trip. ~~However, no payment may be made under this subdivision for a student who rode on a vehicle for which payments are claimed under subdivision a.~~

The mileage payments provided for in this subsection must be made to each school district for transporting students to and from school. Payments may be made only to school districts operating schoolbuses in accordance with the laws of this state relating to standards for schoolbuses, and to the qualifications of schoolbus drivers. Certification as to compliance with the laws of this state in regard to schoolbuses and their drivers must be made in such manner and detail as the superintendent of public instruction may require at the time an application is made for payments provided under this subsection.

2. For students transported by family transportation in accordance with section 15-34.2-03, the state shall reimburse school districts in an amount determined by using the rate of forty cents per day for each mile [1.61 kilometers] over two miles [3.22 kilometers] according to the distance between the student's home and the school. Such distance must be measured by the route from the front door of the school attended to the front door of the family's residence according to the most convenient public course of travel.
3. The superintendent of public instruction shall develop, and require that school districts use, a uniform cost accounting system to calculate and administer the reimbursement provided for and in this section. The superintendent shall prepare

all forms and statements ~~that may be~~ necessary for a school district to apply for the same.

**SECTION 5. AMENDMENT.** Section 15-40.1-18 of the North Dakota Century Code is amended and reenacted as follows:

**15-40.1-18. State transportation payments to school districts.** The superintendent of public instruction shall determine the total amount of payments to be made to the school districts for transportation aid. The office of management and budget shall pay the sum certified by the superintendent of public instruction to each school district. Payments shall must be made in the same manner and at the same time as other payments from the state to school districts are made, as provided in section 15-40.1-05. ~~During the 1993-94 school year, no school district may receive more than one hundred percent of the actual costs it incurs in the provision of transportation services. During the 1994-95 school year, no~~ No school district may receive more than ninety percent of the actual costs it incurs in the provision of transportation services. The superintendent of public instruction shall calculate the difference between the actual costs incurred by all districts in the provision of transportation services during the 1994-95 school year and ninety percent of the actual costs incurred by all school districts in the provision of transportation services during the previous school year. The superintendent shall use the difference to increase the per student payments provided for in subsections 1 and 2 of section 15-40.1-16 by the same amount under each subsection. For purposes of this section, actual costs include the transportation operating expenditures reported to the superintendent of public instruction for the most recent year plus the eight-year average cost of transportation equipment determined by the superintendent of public instruction."

Re-number accordingly

Engrossed SB 2059 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SEN. FREBORG MOVED** that the conference committee report on Engrossed SB 2059 be adopted, which motion prevailed, on a voice vote.

Engrossed SB 2059, as amended, was placed on the Eleventh order.

#### 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, the roll was called and there were 46 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; DeMers; Freborg; Goetz; Grindberg; Heinrich; Heitkamp; Holmberg; Kelsh; Kinnoin; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Streibel; Tennefos; Thane; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

**NAYS:** Tomac

**ABSENT AND NOT VOTING:** Langley; Tallackson

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

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**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 2059.

**MOTION**

SEN. GOETZ MOVED that Engrossed SB 2015 be placed at the top of the calendar, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

SB 2015, as engrossed: Your conference committee (Sens. Nething, G. Nelson, Robinson and Reps. Dorso, Dalrymple, Kroeber) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1485-1493, adopt amendments as follows, and place Engrossed SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1485-1493 of the Senate Journal and pages 1612-1620 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

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;" and replace "section" with "sections 54-16-04.2 and"

Page 1, line 9, after "Code" insert "and section 4 of Senate Bill No. 2029, as approved by the fifty-fourth legislative assembly", after the first "to" insert "emergency commission approval of special funds,", after "fund" insert ", and the use of funds from the veterans' postwar trust fund", and 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 a risk manager; to provide an expiration date;"

Page 2, replace lines 1 through 11 with:

"Administration	\$ 3,156,166
Fiscal management	3,688,883
Facility management	7,069,297
Central personnel	1,037,077
Intergovernmental assistance	<u>39,740,705"</u>

Page 2, line 12, replace "54,342,366" with "54,692,128"

Page 2, line 13, replace "40,889,766" with "41,585,645"

Page 2, line 14, replace "13,452,600" with "13,106,483"

Page 2, replace lines 17 through 20 with:

"Information resource management	<u>\$39,702,756"</u>
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Page 2, replace lines 24 through 26 with:

"Central services	<u>\$ 4,449,708"</u>
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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 "2,141,470"

Page 3, line 6, replace "4,313,492" with "4,154,882"

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

Page 3, line 9, replace "16,994,397" with "16,489,670"

Page 3, line 10, replace "85,712,515" with "86,509,804"

Page 3, line 11, replace "102,706,912" with "102,999,474"

Page 3, line 17, after the period insert "Income exceeding \$50,000 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, \$100,000 is for legislative committee room renovations. The \$100,000 is to be spent by facility management pursuant to legislative council directive and approval."

Page 4, replace lines 23 and 24 with "During the biennium, no salary increase other than the 2.0 percent in July 1995 and the 2.0 percent in July 1996 may be given to an employee whose salary exceeds or would exceed the salary range maximum."

Page 5, remove lines 5 through 15

Page 5, remove line 24

Page 5, after line 24, insert:

**"SECTION 11. AMENDMENT.** Section 54-16-04.2 of the 1993 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-16-04.2.** Commission may authorize acceptance and expenditure of moneys between sessions. The emergency commission, upon the advice of the office of management and budget and ~~within the limits of legislative appropriation for approval under this section,~~ may authorize state agencies, institutions, or departments, between legislative sessions, to receive and accept moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys. The

emergency commission may authorize the state agency, institution, or department to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session."

Page 6, after line 4, insert:

"SECTION 13. 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.

SECTION 14. AMENDMENT. Section 4 of Senate Bill No. 2029, as approved by the fifty-fourth legislative assembly, is amended and reenacted as follows:

SECTION 4. VETERANS' POSTWAR TRUST FUND. The total special funds appropriation line item in subdivision 4 of section 1 of this Act includes \$81,527, or so much of the sum as may be necessary, from the earnings of the veterans' postwar trust fund."

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

Page 6, after line 18, insert:

"SECTION 18. STATE RADIO - 911 SERVICES. State radio communications shall explore, under the direction of the adjutant general, the feasibility of alternative options for the operation of the 911 system, and determine which state agency should administer state radio communications. To develop these options, the adjutant general shall establish a committee consisting of representatives of the North Dakota sheriffs association, the peace officers association, the highway patrol, the 911 coordinators, the North Dakota association of counties, the North Dakota league of cities, the North Dakota firemen's association, the North Dakota association of emergency medical technicians, and any other members the adjutant general deems appropriate. The committee must also include four members of the legislative assembly chosen by the chairman of the legislative council. Members of the committee are entitled to receive expenses in the amounts provided for state officers and employees. The entity represented is responsible for the expenses of the member representing that entity. The legislative council is responsible for paying the expenses of members of the legislative assembly. The plan should address the provision of 911 services in any county that has 911 service or is establishing 911 service. The plan may also include an option for 911 services to be provided by state radio communications if that option is economically feasible. The adjutant general shall submit the plan to the budget section by August 1996.

State radio communications may add the nine counties that approved, in their November 1994 elections, the 911 services provided by state radio communications, bringing the total number of counties to be served by state radio communications to twenty. No other counties

are allowed to join state radio communications until after the fifty-fifth legislative assembly has taken action on the future of 911 services provided by state radio communications.

State radio communications shall charge at least twenty cents per telephone for 911 services provided to political subdivisions. Each county currently receiving 911 services from state radio communications and each of the nine counties to be added shall abide by the standards set forth by the governor's emergency services advisory committee.

**SECTION 19. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION.** If the federal government during the 1995-97 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate 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 resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, 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 for its approval.

**SECTION 20. 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 21. RISK MANAGER.** A risk manager shall be appointed by the director of the office of management and budget based on education and experience and shall serve at the pleasure of the director of the office of management and budget.

**SECTION 22. INTENT - COMPENSATED ABSENCES - INTERNAL SERVICE FUNDS.** It is the intent of the fifty-fourth legislative assembly that the office of management and budget prepare and report to the budget section alternative methods of budgeting for the compensation of accrued annual leave and sick leave. The budget section shall determine the method to be used for the preparation of the 1997-99 executive budget. The report shall be presented to the budget section at its first meeting after December 1, 1995.

The state auditor's office shall analyze the financial status, transfer of funds, and activity of internal service funds, revolving funds, and other related funds at each college or university for the fiscal years ending June 30, 1994 and 1995. This analysis may also include pertinent information for months subsequent to fiscal year 1995, if the information is available in time to be analyzed. A report summarizing the results of the analysis will be presented to the budget section after January 1, 1996.

The purpose of this analysis is to present the legislators with information to assist them in deciding whether future legislation related to these funds is necessary.

Colleges and universities must receive approval from the budget section to expend or transfer amounts greater than \$50,000 from the accumulated moneys in these funds except for: (1) mandatory transfers for servicing related debt; and (2) routine operating expenditures associated with the funds."

Page 6, line 19, replace "9" with "12"

Page 6, line 21, replace "Sections 7 and 9" with "Section 12" 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

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

	ENGROSSED BILL	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION
Administration	\$ 3,156,166		\$ 3,156,166
Fiscal management	3,688,883		3,688,883
Facility management	6,719,535	\$349,762	7,069,297
Central personnel	1,037,077		1,037,077
Intergovernmental assistance	<u>39,740,705</u>		<u>39,740,705</u>
Total	\$54,342,366	\$349,762	\$54,692,128
FTE	111.6	1	112.6

The amendment makes the following line item changes:

	ENGROSSED BILL	RESTORE VACANT POSITION	MAINTENANCE SHOP RENOVATIONS	LEGISLATIVE COMMITTEE ROOM RENOVATIONS	CHANGE FUNDING SOURCE FOR CAPITAL IMPROVEMENTS	TOTAL CHANGES	CONFERENCE COMMITTEE 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	\$100,000		311,750	950,750 <sup>1</sup>
Grants	38,643,000						38,643,000
State memberships	149,000						149,000
State contingencies	500,000						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	<u>40,000</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>40,000</u>
Total all funds	\$54,342,366	\$38,012	\$211,750	\$100,000		\$ 349,762	\$54,692,128
Less estimated income	<u>40,889,766</u>	<u>          </u>	<u>          </u>	<u>          </u>	\$ 695,879	<u>695,879</u>	<u>41,585,645</u>
Total general fund	\$13,452,600	\$38,012	\$211,750	\$100,000	\$(695,879)	\$(346,117)	\$13,106,483
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	<u>100,000</u>
Total	\$1,050,750
Funds from Capitol building fund	<u>695,879</u>
General fund	\$ 354,871

The amendment also makes the following changes:

1. Amends Section 54-16-04.2 relating to Emergency Commission approval of other funds.
2. Creates a new Century Code section requiring state agencies employing 25 or more FTEs to participate in the Workers Compensation Bureau risk management program.
3. Amends Section 4 of 1995 Senate Bill No. 2029 to clarify that the funds are to come from the earnings of the veterans' postwar trust fund.
4. 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 may, subject to budget section approval, 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 may, subject to budget section approval, prioritize or reprioritize programs as necessary.
5. Adds a section of legislative intent regarding an Office of Management and Budget study of alternative methods of budgeting for the compensation of accrued annual and sick leave. The section also directs the State Auditor's office to do an analysis of the financial status and activity of internal service funds and recharge centers at the institutions of higher education.
6. Adds a section providing that the risk manager hired by the director of the Office of Management and Budget is to be an unclassified position.
7. Provides that employees at the pay grade maximum shall only receive two percent on July 1, 1995, and two percent on July 1, 1996.

#### DEPARTMENT 112 - INFORMATION SERVICES DIVISION

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

	ENGROSSED BILL	TOTAL CHANGES	CONFERENCE COMMITTEE 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

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

	ENGROSSED BILL	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION
Central services	\$4,348,298	\$101,410	\$4,449,708
FTE	26	1	27

The amendment makes the following line item changes:

	ENGROSSED BILL	RESTORE VACANT POSITION	TOTAL CHANGES	CONFERENCE COMMITTEE 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>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

CONFERENCE COMMITTEE - This amendment makes the following changes:

	ENGROSSED BILL	REMOVE NEW POSITIONS ADDED IN EXECUTIVE BUDGET <sup>1</sup>	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION
Salaries and wages	\$2,300,080	\$(158,610)	\$(158,610)	\$2,141,470
Operating expenses	1,910,411			1,910,411
Equipment	<u>103,001</u>	<u>          </u>	<u>          </u>	<u>103,001</u>
Total all funds	\$4,313,492	\$(158,610)	\$(158,610)	\$4,154,882
Less estimated income	<u>1,059,270</u>	<u>          </u>	<u>          </u>	<u>1,059,270</u>
Total general fund	\$3,254,222	\$(158,610)	\$(158,610)	\$3,095,612
FTE	34	(3)	(3)	31

<sup>1</sup> This removes three of the four new FTE positions in the executive budget.

The amendment also makes the following changes:

1. Provides for a study under the supervision of the Adjutant General of the need for State Radio Communications 911 services.
2. Requires State Radio Communications to charge at least 20 cents per phone, not expand beyond the 20 counties, and follow the guidelines established by the Governor's Emergency Services Advisory Committee.

Engrossed SB 2015 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

SEN. NETHING MOVED that the conference committee report on Engrossed SB 2015 be adopted, which motion prevailed, on a voice vote.

Engrossed SB 2015, as amended, was placed on the Eleventh order.

#### 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 sections 54-16-04.2 and 54-27.2-02 of the North Dakota Century Code and section 4 of Senate Bill No. 2029, as approved by the fifty-fourth legislative assembly, relating to emergency commission approval of special funds, the budget stabilization fund, and the use of funds from the veterans' postwar trust 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 a risk manager; to provide an expiration date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; DeMers; Freborg; Goetz; Grindberg; Heinrich; Heitkamp; Holmberg; Kelsh; Kinnoin; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Streibel; Tennefos; Thane; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

**ABSENT AND NOT VOTING:** Langley; Tallackson

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

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2015.

## MOTION

SEN. GOETZ MOVED that Reengrossed SB 2519 be placed at the top of the calendar, which motion prevailed.

## REPORT OF CONFERENCE COMMITTEE

SB 2519, as reengrossed: Your conference committee (Sens. Freborg, Grindberg, O'Connell and Reps. Rydell, Dalrymple, Kaldor) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1497-1508, adopt amendments as follows, and place Reengrossed SB 2519 on the Seventh order:

That the House recede from its amendments as printed on pages 1497-1508 of the Senate Journal and pages 1628-1638 of the House Journal and that Reengrossed Senate Bill No. 2519 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 15-40.1 of the North Dakota Century Code, relating to additional payments for small but necessary schools, supplemental payments, and increased weighting factors for students attending school out of state; to amend and reenact sections 15-40.1-06, 15-40.1-07, 15-40.1-08, 15-40.1-09, and 57-15-14 of the North Dakota Century Code, relating to per student payments and the school district equalization factor, high school weighting factors, elementary weighting factors, the computation of foundation aid, and tax levy limitations in school districts; and to provide for a legislative council study.

## 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~~ fifty-seven dollars and for the second year of the biennium the educational support per student must be one thousand ~~six~~ eight hundred ~~thirty-six~~ sixty-two 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~~ twenty-eight mills for the ~~1993-94~~ 1995-96 school year and ~~twenty-four~~ thirty-two 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 forty 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-two 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:
  - a. Annual average daily membership report.
  - b. Annual school district financial report.
  - c. The September tenth fall enrollment report.
  - d. 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:

1. 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~~ 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, 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 ~~twenty-five~~ 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~~ 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, 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 ~~twenty-five~~ 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~~ 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, 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~~ sixty-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.
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~~ 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, 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~~ sixty-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.
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. The proportionate payment made under this section during the biennium for high school summer school programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for foundation aid and transportation aid during the biennium.

**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~~ fifty 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 1996, the factor is 1.28 adjusted by ~~fifty~~ sixty-five 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~~ fifty 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~~ sixty-five 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. 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~~ fifty 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~~ sixty-five 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. 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~~ fifty 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~~ sixty-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, 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. 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~~ fifty 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~~ sixty-five 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. 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~~ fifty 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~~ sixty-five 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. 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~~ fifty 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 ~~sixty-five~~ 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.

1. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the 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:
  - a. Determine the difference between the latest available statewide average taxable valuation per student and the average valuation per student in the high school district;
  - b. 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;
  - c. 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
  - d. 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.
2. The supplemental payment contained in subsection 1 is effective through June 30, 1997. If such a plan is to be continued after June 30, 1997, it must be reviewed by an interim committee under the direction of the legislative council. The legislative council shall report its findings and recommendations, including whether or not the plan should be continued and if continued, whether or not the plan should be modified, together with any legislation required to implement the recommendations, to the fifty-fifth legislative assembly.

**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. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred ~~eighty~~ eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state foundation aid payments provided in sections 15-40.1-06 through 15-40.1-08 because of the deduction required in subsection 3 of section 15-40.1-06, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred ~~eighty~~ eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in subsection 3 of section 15-40.1-06 to the increased assessed valuation of the school district in a one-year period.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular

election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 9. LEGISLATIVE COUNCIL STUDY OF EDUCATION FINANCE.** The legislative council shall appoint a committee to study the financing of elementary and secondary schools and the availability of state support for school construction. 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."

Renumber accordingly

Reengrossed SB 2519 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

SEN. FREBORG MOVED that the conference committee report on Reengrossed SB 2519 be adopted.

#### REQUEST

SEN. YOCKIM REQUESTED that his remarks be printed in the Journal, which request was granted.

#### REMARKS OF SENATOR YOCKIM

I recognize the diversity of this state and the legitimate concerns of legislators who represent various districts in this state. Their students are important and their votes today will represent their best judgments about what is in the students' of this state's best interests. I know that this bill represents the resolve of the legislature to address the equity and adequacy issues facing us. I commend you for your efforts. At the same time I must state that the movement on equity is inadequate. It does not provide an adequate plan for achieving equity as indicated in previous court statements. In my opinion, equitable funding which does not materialize for four, six, or eight years, if ever, does not pass constitutional muster. It serves to condemn a generation of school children to an educational system which does not provide equal opportunity under the law of this state. It provides a system which provides constitutional protection only at some nebulous future point which I frankly doubt we will ever see. So while I appreciate the effort shown in this legislative session, as well as the good faith effort shown in the Governor's budget, I do not believe that this proposal goes far enough. In fact, while the Governor's proposal dedicates

some 70 percent of the new money in his budget to equity, I am told the proposal before us provides only a little over 35 percent. While I intend to vote yes on this proposal, I do not believe that this proposal treats the children of this state equitably in terms of the financing of their public education. This budget while representing movement, is too little too late for thousands of students throughout North Dakota.

The conference committee report on Reengrossed SB 2519 was adopted on a voice vote.

Reengrossed SB 2519, as amended, was placed on the Eleventh order.

#### SECOND READING OF SENATE BILL

**SB 2519:** A BILL for an Act to create and enact three new sections to chapter 15-40.1 of the North Dakota Century Code, relating to additional payments for small but necessary schools, supplemental payments, and increased weighting factors for students attending school out of state; to amend and reenact sections 15-40.1-06, 15-40.1-07, 15-40.1-08, 15-40.1-09, and 57-15-14 of the North Dakota Century Code, relating to per student payments and the school district equalization factor, high school weighting factors, elementary weighting factors, the computation of foundation aid, and tax levy limitations in school districts; and to provide for a legislative council study.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 41 YEAS, 6 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bowman; Christmann; DeMers; Freborg; Goetz; Grindberg; Heinrich; Heitkamp; Holmberg; Kinnoin; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; Redlin; Robinson; Sand; Scherber; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Streibel; Tennefos; Thane; Traynor; Urlacher; Wanzek; Watne; Yockim

**NAYS:** Andrist; Kelsh; Krauter; O'Connell; Tomac; Wogsland

**ABSENT AND NOT VOTING:** Langley; Tallackson

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

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#### 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 2519.

#### MOTION

**SEN. GOETZ MOVED** that Engrossed SB 2013 be placed at the top of the calendar, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2013, as engrossed:** Your conference committee (Sens. Goetz, Solberg, Lindaas and Reps. Hausauer, Wald, Wilkie) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1525-1532, adopt amendments as follows, and place Engrossed SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1525-1532 of the Senate Journal and pages 1605-1612 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, remove the second "and" and after "15-21-02" insert "and subsection 2 of section 39-04.2-04"

Page 1, line 5, after "instruction" insert "and to the public transportation fund; to provide for application; to provide legislative intent; to require a performance audit; to provide for a transfer of funds from the abandoned motor vehicle fund and the public transportation fund; to provide an exemption; and to declare an emergency"

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 8, replace "452,667" with "602,667"

Page 2, line 9, replace "672,440,091" with "674,346,151"

Page 2, line 10, replace "192,403,833" with "193,433,833"

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

Page 2, line 17, replace "175,000" with "100,000"

Page 2, line 21, replace "4,109,676" with "4,034,676"

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

Page 2, line 23, replace "2,811,848" with "2,782,848"

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 "489,803,558"

Page 3, line 14, replace "195,017,760" with "196,801,760"

Page 3, line 15, replace "683,954,258" with "686,605,318"

Page 5, after line 14, insert:

**"SECTION 10. INTENT.** It is the intent of the legislative assembly that during the 1995-96 interim, the legislative council conduct 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. 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 12. 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. These transfers may not be made until after it has been determined that all other transfers from the abandoned motor vehicle fund and the public transportation fund required by law for the biennium beginning July 1, 1995, and ending June 30, 1997, can be made.

**SECTION 13. INTENT.** It is the intent of the fifty-fourth legislative assembly that the sum of \$100,000, or so much of the sum as may be available, from the amount appropriated by the fifty-third legislative assembly to the superintendent of public instruction for the purpose of providing telecommunications grants during the biennium beginning July 1, 1993, and ending June 30, 1995, be used to contract with eligible applicants for constructing facilities and obtaining equipment to expand the area receiving public radio service in North Dakota for the period beginning with the effective date of this Act and ending June 30, 1997.

**SECTION 14. APPROPRIATION.** There is hereby appropriated from federal or other funds available the sum of \$800,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of contracting with eligible applicants for constructing facilities and obtaining equipment to expand the area receiving public radio service in North Dakota for the period beginning with the effective date of this Act and ending June 30, 1997.

**SECTION 15. INTENT.** The superintendent of public instruction shall use the moneys made available in section 13 and the moneys appropriated in section 14 of this Act to contract with eligible applicants to build and operate public radio stations in this state. Eligible applicants are those licensed by the federal communications commission to operate noncommercial public radio stations. It is the intent of the legislative assembly that the moneys made available in section 13 and the moneys appropriated in section 14 of this Act be used for the construction of additional public radio stations to serve areas of the state not receiving such service, including the cities of Beach, Bowman, Crosby, Harvey, Hettinger, Tioga, and Devils Lake.

**SECTION 16. EXEMPTION.** The funds appropriated in the telecommunications line item in subdivision 1 of section 1 of 1993 House Bill No. 1003, as approved by the fifty-third legislative assembly, are not subject to the provisions of section 54-44.1-11 and any unexpended funds from that appropriation are available for the purposes of this Act.

**SECTION 17. AMENDMENT.** Subsection 2 of section 39-04.2-04 of the 1993 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. Following authorization of the commissioner director, the state treasurer shall pay the public transportation funds ~~must be paid by the state treasurer~~ to transportation providers in each county. Each county shall receive six thousand one hundred dollars plus fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount of six thousand one hundred

dollars ~~will~~ must be divided equally among the providers, and the additional per capita amount ~~will~~ must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.

**SECTION 18. APPLICATION.** During the 1995-97 biennium, the director may not increase or decrease the fifty cent per capita amount authorized by section 17 of this Act until after the transfer provided by this Act as approved by the fifty-fourth legislative assembly.

**SECTION 19. EMERGENCY.** Sections 13, 14, and 15 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

CONFERENCE COMMITTEE - This amendment directs the State Auditor to conduct a performance audit of the Department of Public Instruction during the 1995-97 biennium.

This amendment also provides legislative intent that \$100,000 of the amount appropriated by the Fifty-third Legislative Assembly for telecommunications grants for the 1993-95 biennium be made available for constructing facilities and obtaining equipment to expand the area of the state receiving public radio service. This amendment appropriates \$800,000 of federal funds for the same purpose. The state funds are provided as a required match to obtain the federal funds.

This amendment also allows the director of the Division of Public Safety to adjust additional distributions from the public transportation fund so that all funds appropriated for the biennium are distributed.

This amendment also makes the following changes:

	ENGROSSED BILL	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>3</sup>	GENERAL FUND REDUCTIONS <sup>4</sup>	ADD OTHER FUND AUTHORITY FOR PRAIRIE PUBLIC BROADCASTING	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$ 9,853,211				\$(200,000)		\$ (200,000)	\$ 9,653,211	\$ 9,653,211	
Operating expenses	6,254,219				(23,000)		(23,000)	6,231,219	6,231,219	
Equipment	559,315				(6,000)		(6,000)	553,315	553,315	
Capital improvements	35,000							35,000	35,000	
Geographic education	50,000							50,000	50,000	
Grants - Foundation aid and transportation	432,506,833	\$880,000	\$(880,000)					432,506,833	432,506,833	
Grants - Revenue supplement payments	0		880,000	\$1,345,000			2,225,000	2,225,000	2,225,000	
Grants - Guaranteed tax base equalization	0							0	0	
Grants - Tuition apportionment	46,017,000							46,017,000	46,017,000	
Grants - Special education	36,850,000							36,850,000	36,850,000	
Grants - Efficiency grants	0							0	0	
Grants - Other grants	138,069,345				(169,940)		(169,940)	137,899,405	137,899,405	
Educational network	340,000				(70,000)		(70,000)	270,000	270,000	
Teacher certification	399,251							399,251	399,251	
Center for innovation and instruction	297,250							297,250	297,250	
SENDIT Network	756,000							756,000	756,000	
Prairie Public Broadcasting	452,667					\$150,000	150,000	602,667	452,667	\$150,000
<b>Total</b>	<b>\$672,440,891</b>	<b>\$880,000</b>	<b>\$ 0</b>	<b>\$1,345,000</b>	<b>\$(468,940)</b>	<b>\$150,000</b>	<b>\$1,906,060</b>	<b>\$674,346,151</b>	<b>\$674,196,151</b>	<b>\$150,000</b>
General fund	\$480,036,258			\$1,345,000	\$(468,940)		\$ 876,060	\$480,912,318	\$480,912,318	
Special funds	192,403,833	\$880,000		0	0	\$150,000	1,030,000	193,433,833	193,283,833	\$150,000
<b>Total</b>	<b>\$672,440,891</b>	<b>\$880,000</b>	<b>\$ 0</b>	<b>\$1,345,000</b>	<b>\$(468,940)</b>	<b>\$150,000</b>	<b>\$1,906,060</b>	<b>\$674,346,151</b>	<b>\$674,196,151</b>	<b>\$150,000</b>
FTE	134.95							134.95	134.95	

<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

## DEPARTMENT 250 - STATE LIBRARY

CONFERENCE COMMITTEE - This amendment provides legislative intent that during the 1995-96 interim the Legislative Council conduct a study of the library system in North Dakota. This amendment also makes the following changes:

	ENGROSSED BILL	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 CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$1,660,013	\$(46,000)	\$ 46,000			\$1,660,013	\$1,660,013	
Operating expenses	893,892					893,892	893,892	
Equipment	22,500					22,500	22,500	
Multitype library authority	175,000		(46,000)	\$(29,000)	\$(75,000)	100,000	4,000	\$96,000
Talking Book program	235,271					235,271	235,271	
Grants to school libraries	75,000					75,000	75,000	
Grants	<u>1,048,000</u>					<u>1,048,000</u>	<u>1,048,000</u>	
Total	\$4,109,676	\$(46,000)	\$ 0	\$(29,000)	\$(75,000)	\$4,034,676	\$3,938,676	\$96,000
General fund	\$2,811,848			\$(29,000)	\$(75,000)	\$2,782,848	\$2,686,848	\$96,000
Special funds	<u>1,297,828</u>	<u>\$(46,000)</u>		<u>0</u>	<u>0</u>	<u>1,251,828</u>	<u>1,251,828</u>	<u>0</u>
Total	\$4,109,676	\$(46,000)	\$ 0	\$(29,000)	\$(75,000)	\$4,034,676	\$3,938,676	\$96,000
FTE	29					29	29	

<sup>1</sup> The engrossed bill included \$46,000 special funds authority for the Dakota Radio Information Service (DRIS) radio broadcaster position. This amendment replaces the special funds 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.

<sup>3</sup> This amendment removes \$29,000 general fund authority for multitype library authorities. The House removed \$125,000 general fund authority from this line item.

DEPARTMENT 252 - SCHOOL FOR THE DEAF

CONFERENCE COMMITTEE - This amendment makes the following changes:

	ENGROSSED BILL	INCREASE GENERAL FUND AUTHORITY FOR SALARIES AND WAGES <sup>1</sup>	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$3,698,393	\$20,000	\$20,000	\$3,718,393	\$3,718,393	
Operating expenses	828,949			828,949	828,949	
Equipment	26,410			26,410	26,410	
Capital improvements	<u>17,500</u>			<u>17,500</u>	<u>17,500</u>	
Total	\$4,571,252	\$20,000	\$20,000	\$4,591,252	\$4,591,252	\$ 0
General fund	\$3,851,353	\$20,000	\$20,000	\$3,871,353	\$3,871,353	
Special funds	<u>719,899</u>			<u>719,899</u>	<u>719,899</u>	
Total	\$4,571,252	\$20,000	\$20,000	\$4,591,252	\$4,591,252	\$ 0
FTE	52.27			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.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the conference committee report on Engrossed SB 2013 be adopted.

#### REQUEST

SEN. B. STENEHJEM REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Engrossed SB 2013, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed SB 2013, the roll was called and there were 38 YEAS, 9 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Christmann; DeMers; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kinnoin; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mushik; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; Redlin; Robinson; Sand; Scherber; Schobinger; Solberg; St. Aubyn; Streibel; Thane; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

**NAYS:** Bowman; Heinrich; Kelsh; Krauter; Mutch; O'Connell; Stenehjem, B.; Stenehjem, W.; Tennefos

**ABSENT AND NOT VOTING:** Langley; Tallackson

The conference committee report on Engrossed SB 2013 was adopted.

Engrossed SB 2013, as amended, was placed on the Eleventh order.

#### SECOND READING OF SENATE BILL

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, the school for the blind, and the state library; to amend and reenact section 15-21-02 and subsection 2 of section 39-04.2-04 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction and to the public transportation fund; to provide for application; to provide legislative intent; to require a performance audit; to provide for a transfer of funds from the abandoned motor vehicle fund and the public transportation fund; to provide an exemption; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; DeMers; Freborg; Goetz; Grindberg; Heinrich; Heitkamp; Holmberg; Kelsh; Kinnoin; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Streibel; Thane; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

**NAYS:** Tennefos

**ABSENT AND NOT VOTING:** Langley; Tallackson

Engrossed SB 2013, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2013.

**MOTION**

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

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

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2015.

**MOTION**

SEN. NETHING MOVED that the Senate Conference Committee on Reengrossed SB 2080 be dissolved and that a new conference committee be appointed, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on Reengrossed SB 2080: Sens. Nething, Solberg, C. Nelson.

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

MR. SPEAKER: The conference committee on SB 2080 has been dissolved.

**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:

SB 2080: Sens. Nething; Solberg; C. Nelson

**MOTION**

SEN. GOETZ MOVED that the Senate stand in recess until 2:15 p.m., which motion prevailed.

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

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2013, SB 2059, SB 2519.

**CORRECTION AND REVISION OF THE JOURNAL**

MADAM PRESIDENT: Your Committee on Correction and Revision of the Journal (Sen. Sand, Chairman) has carefully reexamined the Journal of the Sixty-second Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1464, line 23, remove "HB 1489,"

Page 1514, line 46, remove "SB 2343,"

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

**REPORT OF CONFERENCE COMMITTEE**

SB 2080, as reengrossed: Your conference committee (Sens. Nething, Solberg, C. Nelson and Reps. Dalrymple, Wald, Kroeber) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1493-1497, adopt amendments as follows, and place Reengrossed SB 2080 on the Seventh order:

That the House recede from its amendments as printed on pages 1493-1497 of the Senate Journal and pages 1555-1559 and 1595-1599 of the House Journal and that Reengrossed Senate Bill No. 2080 be amended as follows:

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 3, after the third comma insert "paragraph 2 of subdivision e of subsection 2 of section 26.1-36-09, sections"

Page 1, line 6, after "requirements" insert "and to group health policy and health service contract mental disorder coverage" and 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 8, after the second semicolon insert "to provide for a legislative council study;"

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

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 10, after line 2, insert:

"SECTION 5. AMENDMENT. Paragraph 2 of subdivision e of subsection 2 of section 26.1-36-09 as created by section 1 of Senate Bill No. 2292, as approved by the fifty-fourth legislative assembly, is amended and reenacted as follows:

- (2) A person who is a ~~licensed certified social worker qualified for third-party payment by the board of social work examiners~~ on August 1, 1995, is exempt from subparagraphs c and d. Supervision under subparagraph c may be provided by a qualified clinical social worker, a licensed psychologist, or a licensed psychiatrist, but the preferred supervisor is the qualified clinical social worker."

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 18, after "state" insert "or a state employee"

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 1, replace "acts" with "act"

Page 18, line 3, after "from" insert "any injury caused by a", replace "animals" with "animal", and replace "their" with "its"

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 15, 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 act 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, after line 4, insert:

"SECTION 13. 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, sections 15-10-17.2, 32-12.1-15, and 54-14-03.2 are suspended only through July 31, 1997, and on August 1, 1997, those sections become effective as they existed immediately before the effective date of this Act."

Page 24, replace lines 10 through 20 with:

"SECTION 16. 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 program 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:

Risk management	\$1,207,000
Total special funds appropriation	\$1,207,000"

Page 26, replace lines 2 and 3 with:

"University of North Dakota	246,196	246,196"
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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 18. 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 19. 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."

Page 28, line 22, after the period insert "If this Act becomes ineffective pursuant to section 22 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 4, 6 through 13, and 15 through 20 of this" and replace "becomes" with "become"

Page 28, line 24, after the period insert "Section 5 becomes effective August 1, 1995. If Senate Concurrent Resolution No. 4014, as approved by the fifty-fourth legislative assembly, is not approved by the voters, section 14 of this Act becomes effective upon the official certification by the secretary of state that the measure was not approved."

**SECTION 22. 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 4, 6 through 11, and section 15 of this Act are effective through July 31, 1997, and after that date are ineffective."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET**

CONFERENCE COMMITTEE - 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 and the \$525,000 appropriation from the risk management fund for the Attorney General's office legal services are 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	<u>528,000<sup>1</sup></u>	
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. The Attorney General's office is authorized one FTE position for providing these services. If necessary, the Attorney General may request Emergency Commission approval under Section 54-16-04.2 of the North Dakota Century Code to receive and spend collections from the Office of Management and Budget or to request authorization for additional FTE positions 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.

Reengrossed SB 2080 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SEN. NETHING MOVED** that the conference committee report on Reengrossed SB 2080 be adopted.

#### REQUEST

**SEN. DEMERS REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on Reengrossed SB 2080, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed SB 2080, the roll was called and there were 28 YEAS, 18 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; Freborg; Goetz; Grindberg; Holmberg; Kinnoin; Krebsbach; Kringstad; Lee; Lindaas; Lips; Mutch; Naaden; Nalewaja; Nelson, G.; Nething; Sand; Schobinger; Solberg; St. Aubyn; Streibel; Tennefos; Thane; Traynor; Urlacher; Wanzek

**NAYS:** DeMers; Heinrich; Heitkamp; Kelsh; Krauter; LaFountain; Mathern; Mushik; Nelson, C.; O'Connell; Redlin; Robinson; Scherber; Stenehjem, B.; Stenehjem, W.; Tomac; Watne; Wogsland

**ABSENT AND NOT VOTING:** Langley; Tallackson; Yockim

The conference committee report on Reengrossed SB 2080 was adopted.

Reengrossed SB 2080, as amended, was placed on the Eleventh order.

#### 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 2080.

#### 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, paragraph 2 of subdivision e of subsection 2 of section 26.1-36-09, sections 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 and to group health policy and health service contract mental disorder coverage; 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, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; DeMers; Freborg; Goetz; Grindberg; Heinrich; Heitkamp; Holmberg; Kelsh; Kinnoin; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Streibel; Tennefos; Thane; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland

**ABSENT AND NOT VOTING:** Langley; Tallackson; Yockim

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

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

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2080.

**MOTION**

**SEN. GOETZ MOVED** that the President appoint a committee of three to notify the House that the Senate has completed its business and is about to adjourn, which motion prevailed.

**PRESIDENT MYRDAL APPOINTED** as such committee: Sens. St. Aubyn, Wanzek, and Mushik.

**MOTION**

**SEN. GOETZ MOVED** that the President appoint a committee of three to notify the Governor that the Senate has completed its business and is about to adjourn, which motion prevailed.

**PRESIDENT MYRDAL APPOINTED** as such committee: Sens. Traynor, Watne, and Mathern.

**REQUEST**

**SEN. ST. AUBYN ANNOUNCED** that the committee appointed to inform the House that the Senate has completed its business and is about to adjourn has completed its task and requests that the committee be discharged, which request was granted.

**REQUEST**

**SEN. TRAYNOR ANNOUNCED** that the committee appointed to inform the Governor that the Senate has completed its business and is about to adjourn has completed its task and requests that the committee be discharged, which request was granted.

**ANNOUNCEMENT**

**THE SERGEANT-AT-ARMS ANNOUNCED** that a committee of three had arrived from the House. The committee of three announced that the House had completed its business and was ready to adjourn sine die.

**MOTION**

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

**MOTION**

**SEN. G. NELSON MOVED** that the Senate be on the Fourth, Twelfth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned sine die.

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

**MR. SPEAKER:** The President has signed: HB 1021.

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2008, SB 2015, SB 2063.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolutions were delivered to the Secretary of State for his filing at the hour of 9:48 a.m., April 10, 1995: SCR 4012, SCR 4026, SCR 4046, SCR 4049, SCR 4063.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for his approval at the hour of 9:48 a.m., April 10, 1995: SB 2003, SB 2009, SB 2012, SB 2017, SB 2066, SB 2081, SB 2085, SB 2115, SB 2136, SB 2149, SB 2181, SB 2211, SB 2231, SB 2264, SB 2355, SB 2403, SB 2455, SB 2466.

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2013, SB 2059, SB 2067, SB 2519.

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

**MADAM PRESIDENT:** The Speaker has signed: SB 2008, SB 2015, SB 2063.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for his approval at the hour of 2:11 p.m., April 10, 1995: SB 2008, SB 2015, SB 2063.

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2080.

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

**MADAM PRESIDENT:** The Speaker has signed: SB 2013, SB 2059, SB 2067, SB 2080, SB 2519.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for his approval at the hour of 10:44 a.m., April 11, 1995: SB 2013, SB 2059, SB 2067, SB 2080, SB 2519.

Pursuant to Senator Goetz's motion, the Senate adjourned sine die.

William C. Parker, Secretary