

Fifty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1021

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the extension
2 service, northern crops institute, upper great plains transportation institute, and the experiment
3 centers; to provide for dairy diagnostic teams; to provide statements of legislative intent; and to
4 amend and reenact sections 4-05.1-02, 4-05.1-04, 4-05.1-16, 4-05.1-17, 4-05.1-18, 4-05.1-19,
5 4-05.1-21, and 4-08-10 of the North Dakota Century Code, relating to the state board of
6 agricultural research.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
9 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
10 the state treasury, not otherwise appropriated, and from special funds derived from federal
11 funds and other income to the North Dakota state university extension service, the northern
12 crops institute, the upper great plains transportation institute, and the North Dakota agricultural
13 experiment centers for the purpose of defraying the expenses of their various divisions, for the
14 biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

15 Subdivision 1.

16 NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

17 Salaries and wages	\$24,744,286
18 Operating expenses	3,546,836
19 Equipment	432,850
20 Grants	<u>580,000</u>
21 Total all funds	\$29,303,972
22 Less estimated income	<u>16,596,765</u>
23 Total general fund appropriation	\$12,707,207

24 Subdivision 2.

1	NORTHERN CROPS INSTITUTE	
2	Salaries and wages	\$878,518
3	Operating expenses	118,650
4	Equipment	<u>72,880</u>
5	Total all funds	\$1,070,048
6	Less estimated income	<u>407,957</u>
7	Total general fund appropriation	\$662,091
8	Subdivision 3.	
9	UPPER GREAT PLAINS TRANSPORTATION INSTITUTE	
10	Salaries and wages	\$2,850,752
11	Operating expenses	2,211,908
12	Equipment	250,000
13	Grants	<u>1,150,000</u>
14	Total all funds	\$6,462,660
15	Less estimated income	<u>5,980,240</u>
16	Total general fund appropriation	\$482,420
17	Subdivision 4.	
18	MAIN RESEARCH CENTER	
19	Salaries and wages	\$38,080,539
20	Operating expenses	4,163,330
21	Equipment	1,532,746
22	Capital improvements	658,800
23	Agricultural research grants	2,000,000
24	Animal replacement	<u>300,000</u>
25	Total all funds	\$46,735,415
26	Less estimated income	<u>20,463,068</u>
27	Total general fund appropriation	\$26,272,347
28	Subdivision 5.	
29	RESEARCH CENTERS	
30	Dickinson research center	\$2,268,116
31	Central grasslands research center	1,297,963

1 **SECTION 4. TRANSFER AUTHORITY.** The state board of higher education is
2 authorized to approve transfer of funds between line items for each agency included in
3 section 1 of this Act and shall notify the office of management and budget within ten days
4 following the transfer.

5 **SECTION 5. TRANSFER AUTHORITY.** Upon approval of the state board of higher
6 education and the state board of agricultural research, the director of the North Dakota
7 agricultural experiment station may transfer appropriation authority from subdivision 4 to
8 subdivision 5 of section 1 of this Act and shall notify the office of management and budget
9 within ten days.

10 **SECTION 6. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The board of
11 higher education is authorized to adjust or increase full-time equivalent positions as needed,
12 subject to availability of funds. The board shall report any adjustments to the office of
13 management and budget prior to the submission of the 2001-03 budget request.

14 **SECTION 7. TRANSFER AUTHORITY.** The state board of higher education is
15 authorized to transfer to the entities in subdivisions 1 through 3 and subdivision 5 of section 1
16 of this Act from subdivision 4 of section 1 of this Act up to \$422,400 to provide salary
17 adjustments. The state board of higher education shall notify the office of management and
18 budget within ten days of the transfer.

19 **SECTION 8. Dairy diagnostic teams.** The North Dakota state university extension
20 service shall appoint regional dairy diagnostic teams consisting of agricultural business
21 management professionals, dairy extension specialists, and dairy industry partners such as
22 nutrition specialists, reproductive specialists, and animal health specialists. At the request of a
23 dairy producer, a dairy diagnostic team shall conduct a site visit, offer the dairy producer
24 educational and technological assistance, and develop a strategic plan to enhance the
25 producer's productivity and profitability.

26 **SECTION 9. LEGISLATIVE INTENT - FUNDING FOR DAIRY DIAGNOSTIC TEAMS.**
27 It is the intent of the fifty-sixth legislative assembly that the North Dakota state university
28 extension service use up to the sum of \$100,000 of its 1999-2001 biennium appropriation to
29 develop and operate the dairy diagnostic teams for the biennium beginning July 1, 1999, and
30 ending June 30, 2001.

1 **SECTION 10. AMENDMENT.** Section 4-05.1-02 of the 1997 Supplement to the North
2 Dakota Century Code is amended and reenacted as follows:

3 **4-05.1-02. Agricultural experiment station.** The state board of agricultural research
4 and education and the president of North Dakota state university shall control and administer
5 the North Dakota agricultural experiment station subject to the supervision of the state board of
6 higher education. Funds appropriated to the agricultural experiment station may not be
7 commingled with funds appropriated to North Dakota state university. Appropriation requests
8 to defray expenses of the agricultural experiment station must be separate from appropriation
9 requests to defray expenses of North Dakota state university.

10 **SECTION 11. AMENDMENT.** Section 4-05.1-04 of the 1997 Supplement to the North
11 Dakota Century Code is amended and reenacted as follows:

12 **4-05.1-04. Reports.** Each center director shall submit an annual report to the station
13 director as directed by the state board of agricultural research and education. Each report must
14 set forth in detail the investigations and experiments made during the preceding year,
15 recommendations for the welfare of the center, the financial condition of the center, how all
16 moneys have been expended, and the results of experiments. The station director shall submit
17 these reports, with a report of the North Dakota state university main research center, to the
18 state board of agricultural research and education and the state board of higher education on or
19 before the first day of September of each year. If the state board of higher education submits a
20 biennial report to the governor and the secretary of state in accordance with section 54-06-04,
21 the report must include a composite of the reports from the main research center and each
22 research extension center.

23 **SECTION 12. AMENDMENT.** Section 4-05.1-16 of the 1997 Supplement to the North
24 Dakota Century Code is amended and reenacted as follows:

25 **4-05.1-16. State board of agricultural research and education - Membership -**
26 **Terms.**

- 27 1. The state board of agricultural research and education consists of:
- 28 a. The president of North Dakota state university;
- 29 b. The vice president of agricultural affairs at North Dakota state university;
- 30 c. The administrator of the agricultural experiment station;

- 1 d. The five persons appointed to the agricultural consultation board by the ag
2 coalition and serving in that capacity on July 1, 1997;
- 3 e. The five persons appointed to the agricultural consultation board by the
4 extension service's multicounty program units and serving in that capacity on
5 July 1, 1997;
- 6 f. The two persons appointed to the agricultural consultation board by the
7 president of North Dakota state university as representatives of the state's
8 research extension centers and serving in that capacity on July 1, 1997;
- 9 g. The commissioner of agriculture, who serves in an ex officio nonvoting
10 capacity; and
- 11 h. The director of the North Dakota state university extension service, ~~who~~
12 ~~serves in an ex officio capacity.~~
- 13 2. a. The initial five members appointed by the ag coalition shall select their terms
14 by lot so that one member serves for one year, one member serves for two
15 years, one member serves for three years, one member serves for four years,
16 and one member serves for five years.
- 17 b. The initial five members appointed by the extension service's multicounty
18 program units shall select their terms by lot so that one member serves for
19 one year, one member serves for two years, one member serves for three
20 years, one member serves for four years, and one member serves for five
21 years.
- 22 c. The two persons appointed as representatives of the state's research
23 extension centers shall serve only through June 30, 1998.
- 24 3. At the completion of each initial term, the term of office for each member is five
25 years, beginning on July first. No person may be appointed to a second five-year
26 term.
- 27 4. a. At least ninety days before the conclusion of the initial term of each member
28 appointed by the ag coalition, the ag coalition shall provide to the state board
29 of higher education a list of two or more names from which the state board of
30 higher education shall appoint a successor. Future appointments to these
31 five positions must be made in the same manner. The state board of higher

1 education shall ensure that four out of the five seats are held by agricultural
2 producers.

3 b. At least ninety days before the conclusion of the initial term of each member
4 appointed by the extension service's multicounty program units, the units
5 through their advisory groups shall provide to the state board of higher
6 education a list of two or more names from which the state board of higher
7 education shall appoint a successor. Future appointments to these five
8 positions must be made in the same manner. The state board of higher
9 education shall ensure that four out of the five seats are held by agricultural
10 producers.

11 **SECTION 13. AMENDMENT.** Section 4-05.1-17 of the 1997 Supplement to the North
12 Dakota Century Code is amended and reenacted as follows:

13 **4-05.1-17. Compensation of board members - Expenses.** Each appointed member
14 of the state board of agricultural research and education is entitled to receive sixty-two dollars
15 and fifty cents per day as compensation for the time actually spent devoted to the duties of
16 office and is entitled to receive necessary expenses in the same manner and amounts as state
17 officials for attending meetings and performing other functions of office.

18 **SECTION 14. AMENDMENT.** Section 4-05.1-18 of the 1997 Supplement to the North
19 Dakota Century Code is amended and reenacted as follows:

20 **4-05.1-18. State board of agricultural research and education - Chairman -**
21 **Meetings.** The state board of agricultural research and education annually shall elect one of its
22 members to serve as chairman. The board shall meet at the times and locations designated by
23 the chairman in consultation with the vice president of agricultural affairs at North Dakota state
24 university.

25 **SECTION 15. AMENDMENT.** Section 4-05.1-19 of the 1997 Supplement to the North
26 Dakota Century Code is amended and reenacted as follows:

27 **4-05.1-19. State board of agricultural research and education - Duties.** Within the
28 policies of the state board of higher education, the state board of agricultural research and
29 education is responsible for the budgeting, supervision, and policymaking responsibilities
30 associated with the supervision of the agricultural experiment station and the North Dakota
31 state university extension services. The agricultural research and education board shall:

- 1 1. Determine the causes of any adverse economic impacts on crops and livestock
2 produced in this state;
- 3 2. Develop ongoing strategies for the provision of research solutions to negate
4 adverse economic impacts on crops and livestock produced in this state;
- 5 3. Make available financial resources, including grants and salaries, and make
6 available equipment and facilities to implement the strategies developed under
7 subsection 2, subject to approval by the state board of higher education;
- 8 4. Develop an annual budget for the operation of the agricultural experiment station
9 and the North Dakota state university extension service;
- 10 5. Develop a biennial budget request and submit that request to the state board of
11 higher education on or before March first of each even-numbered year;
- 12 6. Maximize the use of existing financial resources, equipment, and facilities to
13 generate the greatest economic benefit from research and extension efforts and to
14 promote efficiency;
- 15 7. Annually evaluate the results of research and extension activities and expenditures
16 and report the findings to the legislative council and the state board of higher
17 education;
- 18 8. Advise the administration of North Dakota state university regarding the
19 recruitment and selection of the vice president of agricultural affairs, the extension
20 service director, and the station director; and
- 21 9. ~~Advise the director of the extension service regarding~~ Develop ongoing strategies
22 for the dissemination of research information and the best practices for
23 management of the extension service.

24 **SECTION 16. AMENDMENT.** Section 4-05.1-21 of the 1997 Supplement to the North
25 Dakota Century Code is amended and reenacted as follows:

26 **4-05.1-21. State board of agricultural research and education - Apportionment of**
27 **research funds.**

- 28 1. The state board of agricultural research and education annually shall apportion the
29 proceeds of the agricultural research fund as follows:
 - 30 a. Seventy percent to research activities affecting North Dakota agricultural
31 commodities that account for at least two percent of the gross sales of all

1 agricultural commodities grown or produced in the state. The percentage of
2 the dollars available for each agricultural commodity under this section may
3 not exceed the percentage that the gross sales of the agricultural commodity
4 bear to the North Dakota gross sales of all agricultural commodities grown or
5 produced during the previous year, as determined by the agricultural statistics
6 service;

7 b. Eighteen percent to research activities affecting North Dakota animal
8 agriculture; and

9 c. Twelve percent to research activities affecting new and emerging crops in
10 North Dakota.

11 2. The state board of agricultural research and education shall solicit proposals for
12 research from the public and private sectors and shall appoint committees to
13 review the proposals and award the agricultural research grants on a competitive
14 basis. Each committee must consist of a majority of agricultural producers
15 selected in consultation with the agricultural commodity groups representing
16 commodities that are the subjects of the proposed research and may include
17 researchers and other individuals knowledgeable about the proposed area of
18 research. Whenever possible, the committees shall require that a grant recipient
19 commit matching funds.

20 3. The state board of agricultural research and education shall develop policies
21 regarding the award of research grants, including requirements for matching funds,
22 cooperation with other in-state and out-of-state researchers, and coordination with
23 other in-state and out-of-state proposed or ongoing research projects.

24 **SECTION 17. AMENDMENT.** Section 4-08-10 of the 1997 Supplement to the North
25 Dakota Century Code is amended and reenacted as follows:

26 **4-08-10. Extension agent to submit monthly account of expenditures.** The
27 extension agent shall submit monthly an accurate itemized account of all expenditures incurred
28 by the agent in the regular conduct of duties to the North Dakota state university extension
29 service for examination and audit. When charges are made by an extension agent for money
30 expended in the performance of official duties, all items of one dollar or more expended and
31 charged for must be covered by a subvoucher or receipt that must be signed by the person to

1 whom the money was paid. The subvoucher or receipt must show at what place, on what date,
2 and for what the money expended was paid. The extension agent shall forward the
3 subvouchers or receipts with the bill, claim, account, or demand against the county. When
4 charges are made for transportation expenses, they may not exceed the amounts provided by
5 section 11-10-15, and must be in itemized form showing the mileage traveled, the days when
6 and how traveled, and the purpose thereof, verified by affidavit. The account must be
7 transmitted and recommended for payment by the North Dakota state university extension
8 service which shall audit the same and which may approve or disallow any expense item
9 therein. The state board of agricultural research and education and the president of North
10 Dakota state university shall control and administer the North Dakota state university extension
11 service is under the control, and subject to the supervision; of the state board of higher
12 education. Funds appropriated to the North Dakota state university extension service may not
13 be commingled with funds appropriated to North Dakota state university. An appropriation
14 request to defray expenses of the North Dakota state university extension service must be
15 separate from an appropriation request to defray expenses of North Dakota state university.