

**FIRST ENGROSSMENT  
with Senate Amendments**

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	\$24,795,190
18 Operating expenses	3,656,836
19 Equipment	517,850
20 Grants	<u>580,000</u>
21 Total all funds	\$29,549,876
22 Less estimated income	<u>16,732,669</u>
23 Total general fund appropriation	\$12,817,207

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	\$3,076,552
11	Operating expenses	2,268,108
12	Equipment	256,000
13	Grants	<u>1,150,000</u>
14	Total all funds	\$6,750,660
15	Less estimated income	<u>6,268,240</u>
16	Total general fund appropriation	\$482,420
17	Subdivision 4.	
18	MAIN RESEARCH CENTER	
19	Salaries and wages	\$37,935,339
20	Operating expenses	4,193,330
21	Equipment	1,532,746
22	Capital improvements	748,800
23	Agricultural research grants	2,000,000
24	Animal replacement	<u>300,000</u>
25	Total all funds	\$46,710,215
26	Less estimated income	<u>20,553,068</u>
27	Total general fund appropriation	\$26,157,147
28	Subdivision 5.	
29	RESEARCH CENTERS	
30	Dickinson research center	\$2,314,316
31	Central grasslands research center	1,379,963



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

6           **SECTION 6. INITIATIVES - TRANSFER AUTHORITY.** Upon approval of the state  
7 board of agricultural research and extension, the director of the North Dakota agricultural  
8 experiment station may transfer appropriation authority of up to \$227,335 from subdivision 4 to  
9 subdivision 1 of section 1 of this Act and shall notify the office of management and budget  
10 within ten days.

11           **SECTION 7. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The board of  
12 higher education is authorized to adjust or increase full-time equivalent positions as needed,  
13 subject to availability of funds. The board shall report any adjustments to the office of  
14 management and budget prior to the submission of the 2001-03 budget request.

15           **SECTION 8. TRANSFER AUTHORITY.** The state board of higher education is  
16 authorized to transfer to the entities in subdivisions 1 through 3 and subdivision 5 of section 1  
17 of this Act from subdivision 4 of section 1 of this Act up to \$422,400 to provide salary  
18 adjustments. The state board of higher education shall notify the office of management and  
19 budget within ten days of the transfer.

20           **SECTION 9. Dairy diagnostic teams.** The North Dakota state university extension  
21 service shall appoint regional dairy diagnostic teams consisting of agricultural business  
22 management professionals, dairy extension specialists, and dairy industry partners such as  
23 nutrition specialists, reproductive specialists, and animal health specialists. At the request of a  
24 dairy producer, a dairy diagnostic team shall conduct a site visit, offer the dairy producer  
25 educational and technological assistance, and develop a strategic plan to enhance the  
26 producer's productivity and profitability.

27           **SECTION 10. ESTIMATED INCOME - MAIN RESEARCH CENTER - ENVIRONMENT**  
28 **AND RANGELAND PROTECTION FUND.** The estimated income line item in subdivision 4 of  
29 section 1 of this Act includes the sum of \$90,000, or so much of the sum as may be necessary,  
30 from the environment and rangeland protection fund for the purpose of constructing chemical

1 handling facilities at select research centers for the biennium beginning July 1, 1999, and  
2 ending June 30, 2001.

3 **SECTION 11. ESTIMATED INCOME - TRANSPORTATION INSTITUTE -**

4 **DEPARTMENT OF TRANSPORTATION.** The estimated income line item in subdivision 3 of  
5 section 1 of this Act includes \$188,000 of federal strategic planning and research funds from  
6 the department of transportation. The director of the department of transportation may not  
7 transfer the \$188,000 of federal funds until the director of the upper great plains transportation  
8 institute has certified to the department of transportation that the institute has raised \$100,000  
9 to supplement the federal funds available from the department of transportation for the strategic  
10 freight transportation analysis for the biennium beginning July 1, 1999, and ending June 30,  
11 2001.

12 **SECTION 12. LEGISLATIVE INTENT - SOIL CONSERVATION DISTRICT**

13 **SUPERVISOR TRAINING.** It is the intent of the fifty-sixth legislative assembly that the NDSU  
14 extension service use the funding provided for the soil conservation leadership initiative only for  
15 providing training to soil conservation district supervisors and that the training address specific  
16 issues and concerns of the local district supervisors for the biennium beginning July 1, 1999,  
17 and ending June 30, 2001.

18 **SECTION 13. STATE BOARD OF AGRICULTURAL RESEARCH AND EXTENSION -**

19 **REPORT TO LEGISLATIVE COUNCIL.** The state board of agricultural research and  
20 extension shall report periodically to the legislative council or a committee designated by the  
21 council on its activities associated with researching and developing market opportunities for  
22 biotechnologically enhanced crops for the biennium beginning July 1, 1999, and ending  
23 June 30, 2001.

24 **SECTION 14. AMENDMENT.** Section 4-05.1-02 of the 1997 Supplement to the North  
25 Dakota Century Code is amended and reenacted as follows:

26 **4-05.1-02. Agricultural experiment station.** The state board of agricultural research  
27 and extension and the president of North Dakota state university shall control and administer  
28 the North Dakota agricultural experiment station subject to the supervision of the state board of  
29 higher education. Funds appropriated to the agricultural experiment station may not be  
30 commingled with funds appropriated to North Dakota state university. Appropriation requests

1 to defray expenses of the agricultural experiment station must be separate from appropriation  
2 requests to defray expenses of North Dakota state university.

3 **SECTION 15. AMENDMENT.** Section 4-05.1-04 of the 1997 Supplement to the North  
4 Dakota Century Code is amended and reenacted as follows:

5 **4-05.1-04. Reports.** Each center director shall submit an annual report to the station  
6 director as directed by the state board of agricultural research and extension. Each report must  
7 set forth in detail the investigations and experiments made during the preceding year,  
8 recommendations for the welfare of the center, the financial condition of the center, how all  
9 moneys have been expended, and the results of experiments. The station director shall submit  
10 these reports, with a report of the North Dakota state university main research center, to the  
11 state board of agricultural research and extension and the state board of higher education on or  
12 before the first day of September of each year. If the state board of higher education submits a  
13 biennial report to the governor and the secretary of state in accordance with section 54-06-04,  
14 the report must include a composite of the reports from the main research center and each  
15 research extension center.

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

18 **4-05.1-16. State board of agricultural research and extension - Membership -**  
19 **Terms.**

- 20 1. The state board of agricultural research and extension consists of:
- 21 a. The president of North Dakota state university;
  - 22 b. The vice president of agricultural affairs at North Dakota state university;
  - 23 c. The administrator of the agricultural experiment station;
  - 24 d. The five persons appointed to the agricultural consultation board by the ag  
25 coalition and serving in that capacity on July 1, 1997;
  - 26 e. The five persons appointed to the agricultural consultation board by the  
27 extension service's multicounty program units and serving in that capacity on  
28 July 1, 1997;
  - 29 f. The two persons appointed to the agricultural consultation board by the  
30 president of North Dakota state university as representatives of the state's  
31 research extension centers and serving in that capacity on July 1, 1997;

- 1           g. The commissioner of agriculture, who serves in an ex officio nonvoting  
2           capacity; and
- 3           h. The director of the North Dakota state university extension service, ~~who~~  
4           ~~serves in an ex officio capacity.~~
- 5           2. a. The initial five members appointed by the ag coalition shall select their terms  
6           by lot so that one member serves for one year, one member serves for two  
7           years, one member serves for three years, one member serves for four years,  
8           and one member serves for five years.
- 9           b. The initial five members appointed by the extension service's multicounty  
10           program units shall select their terms by lot so that one member serves for  
11           one year, one member serves for two years, one member serves for three  
12           years, one member serves for four years, and one member serves for five  
13           years.
- 14           c. The two persons appointed as representatives of the state's research  
15           extension centers shall serve only through June 30, 1998.
- 16           3. At the completion of each initial term, the term of office for each member is five  
17           years, beginning on July first. No person may be appointed to a second five-year  
18           term.
- 19           4. a. At least ninety days before the conclusion of the initial term of each member  
20           appointed by the ag coalition, the ag coalition shall provide to the state board  
21           of higher education a list of ~~two~~ one or more names from which the state  
22           board of higher education shall appoint a successor. Future appointments to  
23           these five positions must be made in the same manner. The state board of  
24           higher education shall ensure that four out of the five seats are held by  
25           agricultural producers.
- 26           b. At least ninety days before the conclusion of the initial term of each member  
27           appointed by the extension service's multicounty program units, the units  
28           through their advisory groups shall provide to the state board of higher  
29           education a list of ~~two~~ one 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 **SECTION 17. AMENDMENT.** Section 4-05.1-17 of the 1997 Supplement to the North  
4 Dakota Century Code is amended and reenacted as follows:

5 **4-05.1-17. Compensation of board members - Expenses.** Each appointed member  
6 of the state board of agricultural research and extension is entitled to receive sixty-two dollars  
7 and fifty cents per day as compensation for the time actually spent devoted to the duties of  
8 office and is entitled to receive necessary expenses in the same manner and amounts as state  
9 officials for attending meetings and performing other functions of office.

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

12 **4-05.1-18. State board of agricultural research and extension - Chairman -**  
13 **Meetings.** The state board of agricultural research and extension annually shall elect one of its  
14 members to serve as chairman. The board shall meet at the times and locations designated by  
15 the chairman in consultation with the vice president of agricultural affairs at North Dakota state  
16 university.

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

19 **4-05.1-19. State board of agricultural research and extension - Duties.** Within the  
20 policies of the state board of higher education, the state board of agricultural research and  
21 extension is responsible for the budgeting, supervision, and policymaking responsibilities  
22 associated with the supervision of the agricultural experiment station and the North Dakota  
23 state university extension service. The agricultural research and extension board shall:

- 24 1. Determine the causes of any adverse economic impacts on crops and livestock  
25 produced in this state;
- 26 2. Develop ongoing strategies for the provision of research solutions to negate  
27 adverse economic impacts on crops and livestock produced in this state;
- 28 3. Make available financial resources, including grants and salaries, and make  
29 available equipment and facilities to implement the strategies developed under  
30 subsection 2, subject to approval by the state board of higher education;

- 1           4.    Develop an annual budget for the operation of the agricultural experiment station  
2                    and the North Dakota state university extension service;
- 3           5.    Develop a biennial budget request and submit that request to the state board of  
4                    higher education on or before March first of each even-numbered year;
- 5           6.    Maximize the use of existing financial resources, equipment, and facilities to  
6                    generate the greatest economic benefit from research and extension efforts and to  
7                    promote efficiency;
- 8           7.    Annually evaluate the results of research and extension activities and expenditures  
9                    and report the findings to the legislative council and the state board of higher  
10                   education;
- 11          8.    Advise the administration of North Dakota state university regarding the  
12                   recruitment and selection of the vice president of agricultural affairs, the extension  
13                   service director, and the station director; and
- 14          9.    ~~Advise the director of the extension service regarding~~ Develop ongoing strategies  
15                   for the dissemination of research information and the best practices for  
16                   management of the extension service.

17           **SECTION 20. AMENDMENT.** Section 4-05.1-21 of the 1997 Supplement to the North  
18   Dakota Century Code is amended and reenacted as follows:

19           **4-05.1-21. State board of agricultural research and extension - Apportionment of**  
20   **research funds.**

- 21           1.    The state board of agricultural research and extension annually shall apportion the  
22                   proceeds of the agricultural research fund as follows:
  - 23                   a.    Seventy percent to research activities affecting North Dakota agricultural  
24                            commodities that account for at least two percent of the gross sales of all  
25                            agricultural commodities grown or produced in the state. The percentage of  
26                            the dollars available for each agricultural commodity under this section may  
27                            not exceed the percentage that the gross sales of the agricultural commodity  
28                            bear to the North Dakota gross sales of all agricultural commodities grown or  
29                            produced during the previous year, as determined by the agricultural statistics  
30                            service;

- 1           b. Eighteen percent to research activities affecting North Dakota animal  
2           agriculture; and
- 3           c. Twelve percent to research activities affecting new and emerging crops in  
4           North Dakota.
- 5           2. The state board of agricultural research and extension shall solicit proposals for  
6           research from the public and private sectors and shall appoint committees to  
7           review the proposals and award the agricultural research grants on a competitive  
8           basis. Each committee must consist of a majority of agricultural producers  
9           selected in consultation with the agricultural commodity groups representing  
10          commodities that are the subjects of the proposed research and may include  
11          researchers and other individuals knowledgeable about the proposed area of  
12          research. Whenever possible, the committees shall require that a grant recipient  
13          commit matching funds.
- 14          3. The state board of agricultural research and extension shall develop policies  
15          regarding the award of research grants, including requirements for matching funds,  
16          cooperation with other in-state and out-of-state researchers, and coordination with  
17          other in-state and out-of-state proposed or ongoing research projects.

18           **SECTION 21. AMENDMENT.** Section 4-08-10 of the 1997 Supplement to the North  
19          Dakota Century Code is amended and reenacted as follows:

20           **4-08-10. Extension agent to submit monthly account of expenditures.** The  
21          extension agent shall submit monthly an accurate itemized account of all expenditures incurred  
22          by the agent in the regular conduct of duties to the North Dakota state university extension  
23          service for examination and audit. When charges are made by an extension agent for money  
24          expended in the performance of official duties, all items of one dollar or more expended and  
25          charged for must be covered by a subvoucher or receipt that must be signed by the person to  
26          whom the money was paid. The subvoucher or receipt must show at what place, on what date,  
27          and for what the money expended was paid. The extension agent shall forward the  
28          subvouchers or receipts with the bill, claim, account, or demand against the county. When  
29          charges are made for transportation expenses, they may not exceed the amounts provided by  
30          section 11-10-15, and must be in itemized form showing the mileage traveled, the days when  
31          and how traveled, and the purpose thereof, verified by affidavit. The account must be

Fifty-sixth  
Legislative Assembly

1 transmitted and recommended for payment by the North Dakota state university extension  
2 service which shall audit the same and which may approve or disallow any expense item  
3 therein. The state board of agricultural research and extension and the president of North  
4 Dakota state university shall control and administer the North Dakota state university extension  
5 service ~~is under the control, and~~ subject to the supervision; of the state board of higher  
6 education. Funds appropriated to the North Dakota state university extension service may not  
7 be commingled with funds appropriated to North Dakota state university. An appropriation  
8 request to defray expenses of the North Dakota state university extension service must be  
9 separate from an appropriation request to defray expenses of North Dakota state university.