

Third Day of Legislative Organizational Session

JOURNAL OF THE HOUSE

Fifty-seventh Legislative Assembly

Bismarck, December 7, 2000

The House convened at 9:00 a.m., with Speaker Bernstein presiding.

The prayer was offered by Rev. Dom Vetter, Word of Faith and Outreach Center, Bismarck.

The roll was called and all members were present, except Representative Fairfield.

A quorum was declared by the Speaker.

REPORT OF PROCEDURAL COMMITTEE

MR. SPEAKER: Your procedural Rules Committee (Rep. Belter, Chairman) recommends that the House and the Joint Rules of the Fifty-sixth Legislative Assembly, as adopted on Thursday, December 10, 1998, and published in the 1999 Senate and House Rules and Committees book, with the following new rules and amendments, be adopted as the permanent rules of the House for the Fifty-seventh Legislative Assembly, and that the reading of this report be dispensed with:

SECTION 1. AMENDMENT. House Rule 205 is amended as follows:

205. DUTIES OF SERGEANT-AT-ARMS.

- 1. The Sergeant-at-Arms of the House, under the direction of the presiding officer, is the executive officer of the body for the enforcement of all rules adopted by the House for the regulation of the House.
2. The House floor is under the immediate supervision of the Sergeant-at-Arms. The Sergeant-at-Arms shall see that the Deputy Sergeant-at-Arms and the Assistant Sergeants-at-Arms perform the duties to which they are especially assigned.
3. The Sergeant-at-Arms shall clear the floor of the House chamber in front of the railing of all persons, except legislators, legislative employees, legislative guests who have passes, former members of the Legislative Assembly who have passes, and properly identified representatives of the media, during the time period commencing sixty minutes before the House convenes on any legislative day and ending when the House recesses for that calendar day and from 12:00 noon until 1:00 p.m. on any legislative day.
4. The Sergeant-at-Arms also shall act as the supply clerk for the House, and is responsible for ordering and distributing supplies and stationery needed by House members and House employees.

SECTION 2. AMENDMENT. House Rule 206 is amended as follows:

206. OFFICERS AND EMPLOYEE POSITIONS OF THE HOUSE. The following officers and employee positions are established, with the number, title, and manner of selection for each position as stated:

Table with 2 columns: Title of Position and Number of Positions. Includes entries for Chief Clerk, Desk Journal Reporter, and Sergeant-at-Arms, all with a count of 1.

Persons holding Group A positions must be elected by a majority of the members-elect and the vote must be recorded in the journal.

Group B

| | |
|---|----|
| Assistant Chief Clerk | 1 |
| Chief Committee Clerk | 1 |
| Appropriations Committee Clerk | 1 |
| Bill Clerk | 1 |
| Calendar Clerk | 1 |
| Assistant Appropriations Committee Clerks | 3 |
| Committee Clerks | 10 |
| Chief Page and Bill Book Clerk | 1 |
| Assistant Committee Clerk | 1 |
| Legislative Assistant /Deputy Sergeant-at-Arms | 1 |
| Legislative Assistant/ - Information Kiosk Attendant | 1 |
| Legislative Assistant/ - Desk Page | 1 |

Persons holding Group B positions must be appointed by the party having a majority of the members-elect, acting by and through the Employment Committee. Unless otherwise determined by the Employment Committee, the Information Kiosk Attendant position alternates between the houses every other legislative session.

Group C

| | |
|---|---|
| Secretary <u>Administrative Assistant</u> to the Speaker | 1 |
| Secretary <u>Administrative Assistant</u> to Majority Leader | 1 |
| Staff Assistants to Majority Leader | 2 |
| Secretary <u>Administrative Assistant</u> to Minority Leader | 1 |
| Staff Assistants to Minority Leader | 2 |

The Speaker and the Majority and Minority Leaders shall appoint their respective ~~secretaries~~ administrative and staff assistants, acting by and through the Employment Committee.

Other employees must be appointed as determined necessary by the Employment Committee and must be allocated to the majority and minority parties in proportion to each party's percentage of the total number of the members-elect and each party shall appoint the persons to the positions allocated to them, acting by and through the Employment Committee. The majority party has the first right to select positions of a group until its allocation is filled.

The powers, duties, and qualifications for each officer or employee are as provided by law, these rules, and the Legislative Handbook for North Dakota Legislators and Employees.

SECTION 3. AMENDMENT. House Rule 312 is amended as follows:

312. ~~ORDER OF MOTION~~ MOTIONS DURING DEBATE. When a question is under debate, no motion may be received, except to fix the time to which to adjourn; to adjourn; to lay on the table; to move the previous question; ~~to close, limit, or extend debate~~ (which ~~four~~ five kinds of motions must be decided without debate); to move to postpone to a day certain; to refer; and to amend. These motions have precedence in the order in which they are named. No motion to postpone to a day certain or to refer, having been decided, may be entertained again on the same day.

SECTION 4. AMENDMENT. House Rule 314 is amended as follows:

314. PREVIOUS QUESTION. If a motion calling for the previous question, or any other motion to end debate, carries by a majority vote of the members present, the question must be put immediately, and no member may speak except on a request for information or on a parliamentary inquiry. A member may not move the previous question if that member is debating the issue before the House.

SECTION 5. AMENDMENT. House Rule 317 is amended as follows:

317. NONDEBATABLE MOTIONS. The following motions are not debatable:

1. Adjournment.

2. Clincher.
3. Fix the time of adjournment.
4. Order of the day.
5. Reading of papers.
6. Withdrawal of motion.
7. Suspension of the rules.
8. To lay on the table.
9. Previous question.
10. Close, limit, or extend debate.

SECTION 6. AMENDMENT. House Rule 318 is amended as follows:

318. VOTES REQUIRED FOR CERTAIN QUESTIONS.

1. The following questions require a majority vote of the members of the House present and voting:
 - a. Action, other than referrals or rereferrals to the Appropriations Committee on certain measures, as authorized in House Rule 329.
 - b. Order to a chairman to report a measure back from committee, as provided in House Rule 508.
 - c. Adoption of amendments, as provided in House Rule 601.
 - d. Reconsideration of the adoption of an amendment, as provided in House Rule 347.
 - e. Adoption of propositions of a divided question if the division would require a majority vote of the members present, as provided in House Rule 319.
 - f. Adoption of conference committee reports, as provided in House Rule 605.
 - g. Previous question, as provided in House Rule 314.
 - h. To close, limit, or extend debate.
 - i. To return a measure requested by the Senate before action, as provided in Joint Rule 204.
 - ~~h~~ j. To have the Speaker refuse to sign any bill the Senate refuses to return, as provided in House Rule 349.
 - ~~i~~ k. To request preparation of a fiscal note, as provided in Joint Rule 501.
 - l. Suspension of the rules, as provided in House Rule 324.
 - ~~j~~ m. Any question for which another vote is not required by the Constitution or another rule.
2. The following questions require a majority vote of the members-elect of the House:
 - a. Passage of bills, as provided in Section 13, Article IV, of the Constitution and House Rule 339.
 - b. Passage of proposed amendments to the Constitution of North Dakota, as provided in Section 16, Article IV, of the Constitution.
 - c. Ratification of amendments to the Constitution of the United States, as provided in House Rule 339.

- d. To recede before a conference in a case where a majority governs, as provided in Joint Rule 202.
 - e. To constitute a quorum, as provided in House Rule 103.
 - f. Election of certain House employees, as provided in House Rule 206.
 - g. Suspension of further proceedings under a call of the House, as provided in House Rule 303.
 - h. Adoption of propositions of a divided question if the division would require a majority vote of the members-elect, as provided in House Rule 319.
 - i. Reconsideration of questions other than adoption of amendments if before the end of the next legislative day, as provided in House Rule 347.
 - j. Adoption of a clincher motion, as provided in House Rule 348.
3. The following questions require a two-thirds vote of the members of the House present and voting, which two-thirds may, in no event, constitute fewer than a majority of the members-elect of the House:
- a. Introduction of measures after deadline, as provided in House Rule 402.
 - b. Return of measures to other house after action taken, as provided in Joint Rule 204.
 - ~~e. Previous question.~~
4. The following questions require a two-thirds vote of the members-elect of the House:
- a. Initiated and referred measures amended or repealed within seven years after enactment or approval, as provided in Section 8, Article III, of the Constitution and House Rule 339.
 - b. Emergency clauses, as provided in Section 13, Article IV, of the Constitution.
 - c. Vetoed measures, reconsideration, as provided in Section 9, Article V, of the Constitution.
 - d. Adoption of propositions of a divided question if the division would require a two-thirds vote of the members-elect, as provided in House Rule 319.
 - e. To recede before a conference in a case where two-thirds governs, as provided in Joint Rule 202.
 - f. Second reading same day as report, as provided in House Rule 337.
 - g. Reconsideration after the next legislative day, as provided in House Rule 347.
 - h. Reconsideration after a clincher motion, as provided in House Rule 348.
 - i. Suspension of requirement that copies of amendments be distributed before acted on, as provided in House Rule 601.
 - ~~j. Suspension of the rules, as provided in House Rule 324.~~
 - ~~k. Amendment, reconsideration, or suspension of a joint rule, as provided in Joint Rule 105.~~
5. The following questions require the unanimous consent of the members of the House:
- a. Suspension of the rules and passage of a bill neither printed nor heard by a committee, as provided in House Rule 324.
 - b. Reconsideration or suspension of a standing rule or order requiring unanimous consent, as provided in House Rule 324.

- c. Amendment of measures on second reading except to amend the title, as provided in House Rule 333.
- d. Withdrawal of a measure after it has been referred to committee, as provided in House Rule 331.

SECTION 7. AMENDMENT. House Rule 320 is amended as follows:

320. ~~AYES AND NAYS ROLL CALL VOTE.~~ Except as required by the Constitution or these rules, ~~the ayes and nays a roll call vote~~ may not be ordered unless requested by one-sixth of those members present. ~~No person may remain by the Chief Clerk's desk when the ayes and nays are being called.~~ When the ayes and nays are a recorded roll call vote is ordered pursuant to this rule, the results must be printed in the journal in their entirety.

SECTION 8. AMENDMENT. House Rule 323 is amended as follows:

323. VOTE BY SPEAKER. The Speaker shall vote on all questions taken by ~~ayes and nays~~ roll call vote, except on appeals from the Speaker's decision, and in all elections or decisions called for by any member.

SECTION 9. AMENDMENT. House Rule 324 is amended as follows:

324. SUSPENSION OF RULES. No standing rule or order of the House may be reconsidered or suspended except by a vote of ~~two-thirds a majority~~ members elect members present, and no motion to suspend the rules and pass a bill may be entertained except by unanimous consent, unless the bill has first been printed and considered by a committee, nor may any standing rule or order requiring unanimous consent be reconsidered or suspended without unanimous consent.

SECTION 10. AMENDMENT. House Rule 333 is amended as follows:

333. AMEND OR REREFER FROM THE FLOOR. No amendment to a bill or resolution, other than one to amend the title, may be considered on second reading without unanimous consent of the House, nor may any floor amendment be considered on sixth order without unanimous consent of the House, but all bills and resolutions may be rereferred to committee at any time before their passage. No amendment of a measure reported from a conference committee nor of a measure on the calendar as the result of a motion to concur or not concur in amendments by the Senate may be made on second reading.

SECTION 11. AMENDMENT. House Rule 346 is amended as follows:

346. TRANSMITTAL OF MEASURE TO SENATE - NOTICE OF INTENTION TO RECONSIDER. After the second reading of a bill or resolution, the Chief Clerk shall retain the bill or resolution until the end of the next legislative day, unless the bill or resolution has previously been disposed of. On the ~~thirty-third~~ thirty-fourth legislative day and after the forty-ninth legislative day, the Chief Clerk shall transmit the bill or resolution to the Senate immediately upon adjournment of that day's session unless action on the bill or resolution is pending as the result of the House passing a motion to reconsider or unless the Majority or Minority Leader has given notice of intention to move the reconsideration of that bill or resolution. After the fifty-eighth legislative day, the Chief Clerk shall transmit the bill or resolution to the Senate immediately after the second reading of the bill or resolution unless the Majority or Minority Leader has given notice of intention to move the reconsideration of that bill or resolution. When a member in explaining the member's vote states to the House that the member's vote is for the purpose of reconsideration, that statement also is notice of such intention.

SECTION 12. AMENDMENT. House Rule 360 is amended as follows:

360. ~~GUESTS - INTRODUCTION AND ANNOUNCEMENT OF GUESTS - COURTESY OF THE HOUSE LIMITATIONS.~~

1. Introduction of guests in the House is limited to those individuals called on to address the House and former members of the Legislative Assembly. The presence of other guests in groups may be announced daily on the electronic message boards.
2. No person may be admitted to the floor of the House except state officers; justices of the Supreme Court and judges of the district courts; present and former members of Congress; present and former members of the Legislative Assembly; present officers and officials; all employees of both houses of the Legislative

Assembly; reporters for newspapers; and any other person granted admission by the Speaker.

3. No member may have more than one guest on the floor during any period guests are restricted under House Rule 205. No member may have more than one guest ~~per day in the morning~~ on the floor during ~~the time period guests are restricted under House Rule 205~~ a session and one guest in the afternoon on the floor during a session. The guest must be seated with the member at the time the session convenes and may not leave the floor during debate. No guest may be seated with the member after that member's original guest for that session leaves the floor.
4. For the purposes of this rule, the floor of the House is all of the first floor of the House chamber in front of the railing.

SECTION 13. AMENDMENT. House Rule 402 is amended as follows:

402. WHEN INTRODUCED.

1. ~~No bill may be introduced after the tenth legislative day and no~~ member other than the Majority and Minority Leaders may introduce more than five bills as prime sponsor after the fifth legislative day, ~~nor may any.~~ No bill may be introduced after the fifteenth legislative day, and no resolution, except those resolutions described in subsection 3, may be introduced after the eighteenth legislative day, except upon approval of a majority of the Delayed Bills Committee or upon two-thirds vote of the members of the House present and voting.
2. No bill introduced at the request of an executive agency or the Supreme Court may be introduced after December tenth before the ensuing regular session, except upon approval of a majority of the Delayed Bills Committee.
3. Resolutions that propose amendments to the Constitution of ~~the United States~~ North Dakota and resolutions directing the Legislative Council to carry out a study may not be introduced after the thirty-first legislative day.

SECTION 14. AMENDMENT. House Rule 404 is amended as follows:

404. FORM OF BILLS - COPIES.

1. Every bill and resolution must be in typewritten form and ~~thirteen~~ at least two copies must be filed with the Chief Clerk.
2. Each bill and resolution must have typed on it the name of each sponsor introducing the bill or resolution.
3. The enacting clause of a bill must be: "BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA".
4. No bill may embrace more than one subject, which must be expressed in its title.
5. If a bill amends a present statute, the portion thereof constituting the amendment or amendments must be underscored. In a bill that contains sections amending existing statutes and sections that will be new law, the portion containing the amendment to the existing statute and all of each section containing new law must be underscored. Any matter contained in the present statute but deleted in the proposed amended statute must be contained in the typewritten bill, but must be set off from the remainder of the text by typing a line through the deleted matter. Where bills sponsored by the Legislative Council do not use the above devices, such bills must be accompanied by appropriate explanatory notations outlining the changes to be effected. All bills and resolutions to be introduced in the House must be in the form and style the Legislative Council prescribes.
6. The Chief Clerk, upon receiving the copies of a bill or resolution as provided by this rule, shall proceed as follows: (a) If the ~~original~~ covered copy of the bill or resolution has attached to it a notation that the bill or resolution was ~~drafted, retyped, or~~ approved as to form and style by the Legislative Council staff, the Chief Clerk shall number the bill or resolution as provided in House Rule 401 and, after first reading and referral, shall distribute the copies as provided in this rule; or (b) If the ~~original~~ covered copy of the bill does not have a notation of ~~drafting, retyping,~~

or approval as to form and style by the Legislative Council staff attached, the Chief Clerk shall proceed as provided in House Rule 405.

7. The Chief Clerk, after compliance with this rule and after first reading, shall distribute the copies of a bill or resolution received as follows: The ~~original covered copy~~ and one additional copy must be delivered to the chairman of the committee to which the measure is referred; one copy must be delivered to the Speaker; ~~three~~ six copies must be delivered to the Legislative Council; one copy must remain in the custody of the Chief Clerk until otherwise directed by the House; except in the case of bills or resolutions printed on order of the Legislative Council pursuant to House Rule 406, two copies must be delivered to the printer having the contract for the printing of bills; three copies must be available for representatives of news media; and one copy must be given to the prime sponsor. ~~Any statewide organization or association may be provided a copy of each introduced bill or resolution for the payment of a subscription fee established by the Legislative Management Committee of the Legislative Council. Orders and payments for such bills or resolutions must be placed with the Legislative Council before December fifteenth preceding the regular session.~~
8. ~~The original of each bill or resolution filed with the Chief Clerk must be prepared in the form prescribed by the Legislative Council.~~

SECTION 15. AMENDMENT. House Rule 405 is amended as follows:

405. APPROVAL OF MEASURES AS TO FORM AND STYLE.

1. When a bill or resolution, with the requisite number of copies, is filed with the Chief Clerk without a notation attached to the original covered copy stating that the bill or resolution was ~~drafted, retyped, or~~ approved as to form and style by the Legislative Council staff, the Chief Clerk immediately shall cause that bill or resolution to be delivered to the Legislative Council office with a written request that the bill or resolution be examined and receive a notation approving its form and style.
2. When the Legislative Council staff receives a bill or resolution from the Chief Clerk pursuant to this rule, it shall see that the bill or resolution is in the form and style required by law, legislative rule, and the drafting rules promulgated by the Legislative Council.
3. When the Legislative Council staff has ensured that the bill or resolution meets all requirements regarding form and style, the bill or resolution and all copies must be returned to the Chief Clerk with a notation of approval attached to the original covered copy.
4. If the Legislative Council staff, due to the exercise of its responsibilities under this rule, is not able to deliver an approved bill or resolution to the Chief Clerk before expiration of the last legislative day for normal introduction, the Chief Clerk, whenever such an approved bill or resolution is received, shall proceed to file it as if it had been received on the final legislative day for normal introduction.

SECTION 16. House Rule 504.1 is created as follows:

504.1. APPROPRIATIONS COMMITTEE MEETINGS. In addition to the meetings authorized under House Rule 504, the Appropriations Committee may meet for not more than five calendar days during the period after the organizational session has adjourned and the regular session is convened, as called by the Majority Leader. The chairman shall cause notice of the time and place of the meetings to be posted.

SECTION 17. AMENDMENT. House Rule 506 is amended as follows:

506. COMMITTEE PROCEDURES.

1. In all cases, a majority of the committee constitutes a quorum.
2. The committee chairman or the member who is duly appointed to act as chairman shall ensure that minutes of committee hearings and deliberations are kept. The minutes must be arranged by the bills or resolutions discussed, designated by number. The minutes must contain a short phrase explaining what the bill or resolution relates to and the names and addresses of all persons who appear in relation to the bill or resolution and a brief summary of their remarks. The minutes also must include a record of recommended amendments to the bill or resolution,

and a recorded roll call vote of the committee members on each bill or resolution that is referred out of the committee and, in the case of divided reports, on each report.

3. Upon adjournment of the legislative session, the minutes must be delivered to the Legislative Council and must be retained by the Council for a period of not less than one year.

SECTION 18. AMENDMENT. House Rule 601 is amended as follows:

601. REPORT OF COMMITTEES.

1. The report of a committee must provide for one or more of the following recommendations with respect to the bill or resolution: do pass, do not pass, be amended, be rereferred to another committee, or be placed on the calendar without recommendation. However, when a committee fails to adopt any of the above recommendations due to the lack of a majority, the chairman shall report the bill to the floor with whatever minority reports individual committee members may request in accordance with House Rule 602.
2. During the fifth order of business, the Chief Clerk shall announce that committee reports have been received, if such is the case, and shall list the bill or resolution number, or other identifier, and state the accompanying committee recommendation. If the committee report is divided pursuant to House Rule 602, the Chief Clerk shall announce the majority and minority report, or reports, as well.
3.
 - a. If the committee report is for amendment, the proposed amendment must be placed on the calendar for the next legislative day on the sixth order of business. After the fifty-fifth legislative day, the proposed amendment must be placed on the calendar on the sixth order of business immediately after the report of the committee is received. Without objection, the proposed amendments on the sixth order must be voted on in a single vote. If any member objects to voting on a proposed amendment with other proposed amendments in a single vote, that amendment must be voted on as a separate item.
 - b. No action may be taken on an amendment until a verbatim copy of the amendment has been distributed to each member; provided, that on a two-thirds vote of the members-elect, this may be suspended, and the amendment acted on immediately after the report of the committee.
 - c. If the amendment is adopted by a majority vote of the members present, the amended measure must then be placed on the calendar for the next legislative day under the applicable order of business for second reading and final passage except as provided in subdivision e or g.
 - d. If the amendment is rejected, the measure without amendment must be placed on the calendar for the next legislative day under the applicable order of business for second reading and final passage except as provided in subdivision e or g.
 - e. If the committee report is for amendment and then rereferral to another committee, the measure must be rereferred to the appropriate committee after adoption or rejection of the amendment. If, after adoption or rejection of the amendment, a measure is subject to rereferral under House Rule 329, the measure must be rereferred to the Appropriations Committee, regardless of whether the report provides for rereferral.
 - f. If the committee report does not recommend rereferral to another committee but recommends that the measure pass, do not pass, or makes no recommendation, the measure must be placed on the calendar for the next legislative day under the applicable order of business for second reading and final passage except as provided in subdivision g.
 - g. On motion a measure must be placed on the calendar for second reading and final passage immediately after action is taken on the amendment. If the committee report recommends that the measure be placed on the calendar for second reading and final passage immediately after action is taken on the amendment, the measure must be placed on the calendar for second reading and final passage immediately after the amendment is adopted. After the

thirty-second legislative day all House bills, and after the fifty-fifth legislative day all measures, must be placed on the calendar for second reading and final passage immediately after action is taken on the amendment. A measure placed on the calendar under this subdivision may be acted on immediately after placement on the calendar.

- h. A report for amendment must be approved as to form and style by the Legislative Council staff. When a report for amendment is received by the Chief Clerk without a notation that the report was approved as to form and style by the Legislative Council staff, the Chief Clerk immediately shall cause that report to be delivered to the Legislative Council office with a request that the report be examined and receive a notation approving its form and style.
4. If the committee report is divided as provided in House Rule 602, the reports must be placed on the calendar for the next legislative day on the seventh order of business. The Speaker shall receive and announce a motion that the report of the minority be substituted for the majority committee report. If the minority report is adopted, that report is substituted for the majority report and must be placed on the calendar on the eleventh or fourteenth order of business. If the minority report is not adopted, the majority report is deemed adopted and must be placed on the calendar on the eleventh or fourteenth order of business. If a "do not pass" report is adopted under this subsection, the measure must be placed on the calendar on the eleventh or fourteenth order of business. If no report is adopted under this subsection, the measure must be placed on the calendar on the eleventh or fourteenth order of business unless the measure is subject to rereferral under House Rule 329.
5. The Chief Clerk shall ensure that the daily calendar contains appropriate notation of committee reports.

SECTION 19. AMENDMENT. House Rule 602 is amended as follows:

602. DIVIDED COMMITTEE REPORT.

1. In case all the members of any committee required or entitled to report on any subject referred to them cannot agree upon any report, the majority and minority may each make a report as provided by this rule; and all reports, if decorous in language, and respectful to the House, must be entered at length in the journal and must identify who voted for each report, and must be announced by the Chief Clerk as provided in House Rule 601.
2. A minority report must be signed by at least three members of the committee, or four members of the Appropriations Committee, who voted against the majority report and who have not voted for or signed any other report. A member may not vote for a report and refuse to sign that report. A recorded roll call vote must be taken on the majority report and each minority report.
3. The majority report is either the report signed by the largest number of committee members or the report signed by the committee chairman if that report is one of two or more reports signed by the largest and an equal number of members. The majority report must be placed on the calendar for consideration before consideration of any minority report. Minority reports must be placed on the calendar in order in accordance with the number of committee members signing the reports, with the report signed by the largest number of members being placed on the calendar first.
4. If more than one amendment is recommended by divided reports relating to a particular measure, the Speaker shall direct that they be placed on the calendar in order in accordance with this rule.
5. The Speaker shall also rule as to the effect of the adoption of the first report on each subsequent report.

SECTION 20. AMENDMENT. Joint Rule 208 is amended as follows:

208. INTRODUCTION OF EXECUTIVE AGENCY AND SUPREME COURT BILLS.

Each executive agency and the Supreme Court shall file with the Legislative Council those bills they wish to have introduced no later than ~~December tenth before the ensuing regular~~ the close of business on the day after the adjournment of the organizational session. Each bill is deemed introduced by the standing committee of the House or Senate with general jurisdiction over the

subject matter of the bill; but if the filing entity receives the approval of a legislator to sponsor the bill, that bill is to be introduced by the legislator rather than by the standing committee. A bill sponsored by a legislator may not have more sponsors than the number allowed under Senate and House Rules 401. The director of the budget shall file with the Legislative Council those bills making appropriations to implement the budget recommended by the Governor no later than ~~December tenth before the ensuing regular~~ the close of business on the day after the adjournment of the organizational session and those bills are deemed introduced by the Appropriations Committee of the Senate or House at the request of the Governor. The bill implementing the budget request of the judicial branch is deemed introduced by the Appropriations Committee of the Senate or House at the request of the Supreme Court, and the bill implementing the budget request of the legislative branch is deemed introduced by the Appropriations Committee of the Senate or House at the request of the Legislative Council. The Legislative Council shall number and deliver bills filed under this rule to the ~~President of the Senate or the Speaker of the House~~ appropriate house for recording. Each bill introduced under this rule must be identified by noting the name of the agency or the court under the name of the sponsoring committee or legislator. The identification of a bill introduced by a standing committee may include the names of not more than five entities authorized to file bills under this rule.

SECTION 21. AMENDMENT. Joint Rule 209 is amended as follows:

209. RETURN OF VETOED BILLS WITH OBJECTIONS. When the Governor vetoes a bill that must be returned within three legislative days, ~~Sundays excepted~~, after presentation delivery to the Governor, the bill must be returned to the Secretary of the Senate if a Senate bill or to the Chief Clerk of the House if a House bill, together with the objections to the bill. The Secretary of the Senate and Chief Clerk of the House may each designate an employee of the respective chamber for receipt of vetoed bills and objections. If the Secretary of the Senate or Chief Clerk of the House or the designated legislative employee, as appropriate, is not available to receive the vetoed bill and objections, the director of the Legislative Council or a Legislative Council employee designated by the director may receive the vetoed bill and the objections as the representative of the appropriate house. ~~As used in this rule, "within three days" means within three calendar days, Sundays excepted, after the day of presentation to the Governor.~~

SECTION 22. AMENDMENT. Subdivisions a and b of subsection 3 of Joint Rule 501 are amended as follows:

3. a. A fiscal note must be prepared by the state agency or department responsible for collecting or expending the revenues affected or whose appropriation is affected or jointly by affected departments or agencies, at the request of the Legislative Council ~~or the chairman of the committee considering the bill or resolution.~~
- b. A request for a fiscal note must be in writing, the proper request form and addressed to the designated agency or department, ~~and upon a proper request form~~, and must be accompanied by a copy of the bill or resolution having the fiscal effect.

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

REPORT OF PROCEDURAL COMMITTEE

MR. SPEAKER: Your procedural **Committee on Committees (Rep. Monson, chairman)** recommends the following as the proposed chairmen, vice chairmen, and members of Standing Committees:

2001 NORTH DAKOTA LEGISLATIVE ASSEMBLY HOUSE STANDING COMMITTEES

Appropriations Committee

Committee Chairman - Timm
Vice Chairman - Wald

Education and Environment Division

Chairman - Wentz
Vice Chairman - Boehm
Martinson
Monson
Wald

Aarsvold
Gulleson

Government Operations Division

Chairman - Byerly
 Vice Chairman - Carlisle
 Thoreson, B.
 Skarphol
 Koppelman

Glassheim
 Huether

Human Resources Division

Chairman - Svedjan
 Vice Chairman - Delzer
 Kliniske
 Kempenich

Kerzman
 Warner

Education Committee

Chairman - Kelsch, R.
 Vice Chairman - Brusegaard
 Nelson
 Haas
 Johnson, D.
 Meier
 Nottestad
 Thoreson, L.
 Hawken
 Bellew

Grumbo
 Mueller
 Hanson
 Solberg
 Hunskor

Finance and Taxation Committee

Chairman - Carlson
 Vice Chairman - Drovdal
 Herbel
 Nicholas
 Renner
 Wikenheiser
 Brandenburg
 Rennerfeldt
 Lloyd
 Clark
 Grosz

Kelsh, S.
 Schmidt
 Kroeber
 Winrich

Human Services Committee

Chairman - Price
 Vice Chairman - Devlin
 Galvin
 Porter
 Pollert
 Dosch
 Weiler
 Tieman
 Klein, F.
 Weisz

Cleary
 Niemeier
 Metcalf
 Sandvig

Industry, Business and Labor Committee

Chairman - Berg
 Vice Chairman - Keiser
 Froseth
 Johnson, N.
 Klein, M.
 Koppang
 Severson
 Kasper
 Ruby
 Jensen
 Pietsch

Froelich
 Thorpe
 Lemieux
 Ekstrom

Judiciary Committee

Chairman - DeKrey
 Vice Chairman - Kretschmar
 Gunter
 Klemin
 Maragos
 Kingsbury
 Grande
 Brekke

Delmore
 Fairfield
 Mahoney
 Onstad
 Eckre

Wrangham
Disrud

Agriculture Committee

Chairman - Nicholas
Vice Chairman - Johnson, D.
Pietsch
Koppang
Renner
Brandenburg
Kingsbury
Berg
Wrangham
Lloyd

Sandvig
Froelich
Mueller
Onstad
Lemieux

Natural Resources Committee

Chairman - Rennerfeldt
Vice Chairman - Nelson
Galvin
DeKrey
Nottestad
Porter
Brekke
Drovdal
Keiser
Weiler
Klein, F.

Hanson
Kelsh, S.
Niemeier
Solberg

Political Subdivisions Committee

Chairman - Froseth
Vice Chairman - Severson
Disrud
Gunter
Johnson, N.
Maragos
Tieman
Herbel
Grosz
Kretschmar

Delmore
Ekstrom
Eckre
Kroeber
Fairfield

Government and Veterans Affairs Committee

Chairman - Klein, M.
Vice Chairman - Grande
Haas
Clark
Kasper
Devlin
Bellew
Wikenheiser
Meier
Klemin
Brusegaard

Winrich
Metcalf
Cleary
Hunskor

Transportation Committee

Chairman - Weisz
Vice Chairman - Pollert
Carlson
Jensen
Kelsch, R.
Price
Dosch
Thoreson, L.
Hawken
Ruby

Grumbo
Mahoney
Schmidt
Thorpe

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

MOTION

REP. MONSON MOVED that the House stand in recess until 10:30 a.m., which motion prevailed.

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

JOINT SESSION

The Joint Session of the House and Senate convened at 10:30 a.m., with Speaker Bernstein presiding.

MOTION

REP. MONSON MOVED that a committee of two be appointed to escort Lt. Governor Myrdal to the rostrum, which motion prevailed.

SPEAKER BERNSTEIN APPOINTED Reps. Tieman and Nottestad to such committee and Lt. Governor Myrdal was escorted to the rostrum.

SPEAKER BERNSTEIN INTRODUCED Lt. Governor Myrdal to the Assembly and turned the gavel over to her. Lt. Governor Myrdal called the Joint Session to order.

MOTION

REP. MONSON MOVED that a committee of four be appointed to escort the Honorable Edward T. Schafer, Governor, to the rostrum, the First Lady Nancy Jones Schafer to a special reserved seat in the Assembly and that Governor Schafer's remarks as submitted to the front desk be printed in the Journal, which motion prevailed.

THE CHAIR APPOINTED Reps. Martinson and Porter, and Sens. Freborg and Wardner to the Escort Committee.

**Gov. Ed Schafer
2001-2003 Budget Message
Dec. 7, 2000**

Distinguished members of the 57th North Dakota Legislative Assembly and fellow North Dakotans. Good morning.

With the official opening of the legislature just one month away, I am pleased to offer my final executive budget recommendations. This document represents many months of hard work and difficult decisions.

I extend my most sincere thanks to the staff of the Office of Management and Budget. For a year now, they have been in the unenviable position of creating a budget for a "short-timer." I want to express my utmost appreciation for their tireless work. We created a strong budget, which I am proud to present here today.

Before I outline my priorities, I'd like to spend a few minutes looking back - reflecting on the past eight years during which I have had the distinct honor of serving our state as Governor. Together we have accomplished many things.

I ran for Governor after spending 25 years in the private sector. My goal was to transfer business principles to government. I believe we have accomplished this task. Working with agencies, we have improved efficiency by employing sound business management standards throughout government.

One of my first official acts as Governor was to create a Hiring Council to review all staff increases. Since then, we have eliminated 682 full-time positions.

Our requests for 95 or 97 percent budgets helped agencies set priorities, streamline costs and increase accountability for spending.

We have encouraged innovation and created high-tech solutions for delivering government online, over the Internet, and through a new broadband network that will provide the greatest public access to high-speed telecommunications of any rural state in the nation.

These private sector principles must remain a constant part of operations in state government, and I am extremely pleased to pass on this mantle to Governor-elect John Hoeven. I know he will uphold these principles with conviction.

My first campaign slogan was Ed Schafer Means Business. And from day one, economic development, education and fiscal discipline have been our top priorities.

- Today, North Dakota boasts 63,000 new jobs, and EACH ONE of them is important!
- North Dakota is more diversified with significant growth in manufacturing and technology.

- And North Dakota is more prosperous. Personal income is up 38 percent.

We know our economy is growing because revenues are growing.

In fact, we have increased revenues by \$475 million -- without raising general taxes.

- We have increased funds for K-12 education by \$122 million and higher education by \$88 million.
- We've increased state funding for agriculture research.
- Recovered from eight statewide disasters costing more than \$788 million.
- Developed and funded a state water plan that improves water supplies, water quality, and water resources for irrigation and industrial development.
- We've expanded home-based services for the elderly, increased general funds for nursing homes by 80 percent, and launched a children's health insurance program for children of working parents who can't afford insurance.
- We've increased state employees' salary packages by nearly three percent per year.
- And we've moved 3,000 North Dakota families from welfare to work.

We have done all these things, and more, without raising taxes.

For the past eight years, North Dakotans have seen compassionate conservatism at work, and they have said, "Keep it up. Give us more!"

Whether through job creation, improving education, welfare reform or enhancing human services, North Dakota people have been the center of our work.

I'm very proud of the progress we've made. And I'm most proud of the manner in which we did it. We achieved all of these things the hard way, by making difficult choices.

By saying no more often than yes...

By constantly watching the bottom line...

And by trusting the private sector to do the heavy lifting -- to increase revenues through economic growth.

Government sets the stage for individual achievement, and then must get out of the way for people and private enterprise to perform.

My 2001-2003 budget recommendations continue this trend.

This budget balances two compelling interests. First, it invests heavily in strategic areas that are essential to the future economic survival of our state.

And second, it does so while recognizing the financial constraints in which we live. For the fifth biennium in a row, this budget is balanced without a general fund tax increase.

This budget focuses as many resources as possible on things that help create wealth.

We place new economy initiatives squarely on top of the priority list with significant high-tech proposals.

We invest heavily in education -- the passport for success in the new economy.

We build a stronger transportation system to support economic development, agriculture and commerce.

We increase funds for agriculture research and value-added agriculture initiatives.

And we protect one of our greatest advantages -- our safe environment -- by supporting innovative ideas for crime and law enforcement agencies.

Most importantly, this budget sets the tone for a legislative session that requires legislators and state officials to set parochial interests aside and take a longer view of our state's future.

It calls on leaders to reflect seriously on forces that are realigning the world's economic playing field. And it demands that we recognize one thing. That in order to compete in this new world, we cannot continue to spread our scarce resources too thin in order to satisfy the immediate wants or even the perceived needs of every constituency.

This budget attempts to do that. We held 49 percent of state agencies to even budgets. And we spent **every** dollar of new money carefully.

Disaster payments and compensation packages for state employees consume 37 percent of all new money. A vast majority of the remaining new money is devoted to new economy initiatives, including education.

The 2001-2003 executive budget recommendation is \$1.7 billion in general fund spending, an annual growth of 3.5 percent. The total state budget recommendation is \$4.7 billion.

With this budget, I am presenting a comprehensive plan for state government called North Dakota Delivers. This initiative identifies 21 key priorities for state government to help improve the quality of life and economic opportunities for North Dakota people.

The purpose of North Dakota Delivers is to focus the budget process on specific goals and measurements. Agencies have been asked to target their programs, activities and strategic plans toward accomplishing these goals.

This document will help agencies and legislators evaluate how government programs are contributing to goals by using objective indicators to track progress.

North Dakota Delivers will be modified as times and challenges change. But my hope is that it will always serve as a filter through which all budgeting and resource decisions pass.

Now, let me highlight my budget recommendations.

NEW ECONOMY INITIATIVES

My top priority for the 2001-03 budget cycle is to make investments that improve North Dakota's competitive position in the new economy. To this end, this budget invests 41 percent of all **new** revenues on new economy initiatives.

These funds will go to schools, universities, teachers, businesses and government. They will help transform traditional ways of thinking and operating with high-tech innovations to improve access, enhance products and services, and equip North Dakotans with the high-tech skills needed to be successful in this new age.

An essential ingredient in this effort is effectively connecting our state to the pipeline of the new economy - the Internet. Yesterday, we announced the completion of Phase One of the new statewide, broadband network. It provides high-speed connections to 64 communities statewide.

This budget includes nearly \$16 million for Phase Two, which will take the network to every high school and library in the state, providing high-speed, high-capacity access to 194 North Dakota communities and 522 endpoints.

Importantly, Phase Two funding covers much more than connections. This budget invests significant dollars in education programs to help North Dakotans take full advantage of this technology.

These include \$600,000 to train teachers to use technology in the classroom and \$600,000 for specialized technology classes such as ExplorNet and Cisco for high school students.

We recommend \$3.5 million for video equipment grants for schools to allow more schools to share foreign language, science and math teachers, and increase overall K-12 distance-learning programs.

The state will ease the cost burden associated with connecting for schools by paying \$7.6 million for equipment, circuit costs, Internet access and network management. And we will create strong hands-on tech support for K-12 schools through a \$1.4 million grant to SENDIT.

I also want to voice my support for legislation creating a Chief Information Officer for K-12 education. Strong technical leadership is essential for our schools, and all the players involved agree this is the best way to accomplish that.

This budget also makes higher education a leader in providing distance learning by allocating nearly \$3 million to integrate and expand the existing Interactive Video Network. We will dramatically increase the availability and use of video learning sessions.

Interest in these programs is already strong. Six schools intend to connect to this network early, footing the front-end costs on their own to do so.

For example, folks in Bowman and Hettinger are working with the high schools to offer a nurses training program at night, taught via video by Dickinson and Minot State Universities. This kind of collaboration is essential for North Dakota. And it is made feasible by the new broadband network.

Work force training is one of the greatest challenges for all North Dakota business owners who seek new economy success. This budget provides \$1.8 million to the University System to develop Internet-based, education and training programs.

We recommend \$2 million for the popular Work Force 2000 program. Money for this program was gone in the first six months of the current budget cycle.

The executive budget supports sizable investments in e-government initiatives. Technology can eliminate walls that exist between government agencies, providing better coordination and easier access to information and services for the public.

In this budget, we are proposing a major state investment for a high-tech project that will finally facilitate the strong interaction between K-12, higher education and state government that is so necessary.

Enterprise Resource Planning - called E.R.P. - is a joint management system that will combine the student information, human resource and financial systems for K-12 schools, the entire university system and state agencies into one comprehensive management tool. The new system will allow users to share information and data and perform a variety of interactive functions such as e-purchasing, registering for classes and applying for financial aid.

The price tag is high -- \$20 million this biennium. But this project will replace aging and outdated management systems for all of state government. It will be a one-of-a-kind system in the nation. By combining all three entities, North Dakota will get the best possible price from vendors who are eager to do something no other state has done.

Transportation infrastructure is vital in the new economy. We worked very hard to reserve as many dollars in the DOT budget as possible for road construction. We eliminated \$9 million in requests from the agency, including the major remodeling project for asbestos abatement.

We also funded an additional \$2.5 million of the Highway Patrol with general funds rather than gas tax dollars.

Still, we came up short in meeting the required state match for \$400 million in federal highway construction dollars that are available this biennium. These funds support an 18 percent increase in the number of miles of road improvements. Anyone who drives on our roads knows we cannot afford to leave this money on the table.

Therefore, this budget calls for a \$15 increase in vehicle registration fees. This money will allow us to meet the state and local match requirements from the federal government.

Finally, new economy strategies also include research and marketing initiatives to better position North Dakota for success. We propose increasing the Economic Development and Finance Agency's budget by \$6 million to lead these important efforts.

I urge you to support these initiatives. We cannot continue to identify job creation as our number one goal, while at the same time reducing funds for the state agency charged with leading our economic development effort.

EDUCATION

New economy initiatives are a major part of the overall education plan we are proposing in this budget. K-12 and higher education are the primary beneficiaries of the statewide network, the related support programs and the E.R.P. project.

But this budget also makes additional investments in education.

For starters, our higher education proposals reflect many of the recommendations of the roundtable, although at a slower pace than requested by the University System -- one that the state can afford without a tax increase.

We give the Board of Higher Education the flexibility it needs to advance our system in the new economy. We consolidate the system's budget from 18 line items to five, and create a \$1 million equity pool on top of salary increases to be distributed by the board.

We also encourage entrepreneurial leadership on the campuses. Tuition, continuing education and local funds will remain at campuses to be managed at their discretion. We provide \$2.5 million for institutional innovation, \$2.5 million for critical needs in campus operations, and another \$1.5 million in matching funds for competitive research. The board will distribute funds from all of these pools.

At the same time, our K-12 program is focused on improving quality. First, by providing more than \$800,000 to create state reading and math standards and assessments. This is no longer an option - it is required by the federal government to receive Title I funding.

Second, we advance the Quality Schools Committee's work to preserve quality despite decreasing enrollments in many state schools. This group represents every statewide organization responsible for K-12 education working together on solutions for our state's K-12 education challenges.

We support increasing per pupil payments by 4.2 percent annually, for a total of \$2,420 by year two of the biennium. Total foundation aid funding is \$485.5 million.

We increase special education funds by 10 percent, and raise tuition apportionment dollars by \$14 million.

All combined, new funds are nearly \$39 million for higher education and \$35 million for K-12.

But I urge legislators and education leaders to stop judging support for education by dollar figures alone. In the eight years I've been Governor, we have directed \$122 million in new money to K-12 education and \$88 million toward higher education.

Despite these substantial increases, teacher salaries today are not nationally competitive. Schools and colleges still struggle to make ends meet. And our ability to maintain quality and remain competitive with our current system remains a serious question.

If we are ever going to address these issues, state leaders and education interest groups must put personal interests and agendas aside and work together for the greater good of our whole state.

HEALTH AND SAFETY

I'd like to talk now about public safety.

Our state's low crime rate is a badge of honor. It is a strong selling point for new businesses and families. It is a big reason why North Dakota is one of the best states in the nation to raise children. So, preserving our low crime rate is an important priority. And a well-funded state correctional system is a part of that.

At the same time, I am concerned about the growing chunk of money our state corrections system is absorbing from our general fund. Six percent of all new revenues in the executive budget will go toward corrections - a \$9.2 million increase.

We need to recognize the costs associated with laws that are "tough" on crime. Being tough isn't enough, we must also be smart.

This budget attempts to balance the need for additional prison space with innovative alternatives to incarceration and programs aimed at better managing inmates and reducing repeat crime.

Most noteworthy, perhaps, is our proposal to build a new women's prison at the James River Correctional Center. This \$3.7 million facility will be able to house 78 women inmates, freeing up 80 beds at the current JRCC. These new beds will help absorb the 248 additional inmates projected in the upcoming biennium.

Along with this building project, this budget funds a DUI treatment program at the State Hospital. This new program will be targeted toward offenders who have three or more DUIs. More than 40 inmates currently fit this category. It will free up 25 beds and address the real problem behind many crimes for nonviolent offenders, that is serious alcohol addiction.

In the current biennium, we initiated a similar drug and alcohol treatment program for inmates, and it has proven extremely effective -- saving \$1 million and 60 beds per day in the penitentiary.

Finally, this budget provides \$1.5 million to fund a prerelease center to help inmates transition back into our communities. This program will free up 50 prison beds. And, the goal here is consistent: giving inmates the tools they need in order to stop being a drain on our society -- and the state budget.

CARE FOR ELDERLY

Caring for our state's growing elderly population is an ongoing challenge. It's an issue that underscores the importance of growing our revenues and increasing opportunities for younger, taxpaying citizens. We must continue to find effective and compassionate ways to care for our elderly.

This budget recommends a \$12.2 million increase in funds for nursing homes to address growing demands and rising health care costs.

A portion of the funding source proposed for this increase has been changed from the general fund to intergovernmental transfer dollars. This frees up \$25 million to support one-time technology projects. These projects will be complete in the 2003-05 biennium, and I want to be clear that at that time these funds must be replaced with general fund dollars.

I am recommending a 12 percent increase for the SPED and Expanded SPED programs. These programs are a wise investment - providing seniors services that help them stay in their homes or communities rather than being institutionalized because of minor challenges like taking medications or buying groceries.

I also propose adding \$400,000 to the mill levy match program, which provides money to senior citizen centers for essential programs such as Meals on Wheels. Since I took office, we have increased these funds from \$900,000 to \$1.7 million.

Beyond these increases, our recommendation calls for a conservative and efficient budget for our state's largest department, Human Services. We are complying with all the necessary federal laws, but do not propose the creation or significant expansion of existing programs. The total Human Services budget increase is four percent per year.

COMPENSATION PACKAGE

The compensation package for state employees consumes 24 percent of all new revenues, including \$28 million for salaries and \$10 million for health insurance.

This includes a three percent salary increase for the first year of the biennium, and a two percent increase for the second. Agencies have the authority to find an additional one percent within their budgets for raises. A total of \$602 million is recommended for salaries and benefits to state employees in North Dakota.

CONCLUSION

I started this speech with a description of the many accomplishments of the Schafer administration. But any fair review requires consideration of the shortcomings as well.

I'd like to conclude my remarks today by discussing some of the things that remain on my "To Do" list for North Dakota. Some of them are personal disappointments, while others point to our state's greatest challenges.

On a personal note, I regret not being able to get Roger Maris listed in the Baseball Hall of Fame.

I regret coming up short in electing a Republican to represent North Dakota in Congress. This is an applause line for the Democrats in the room!

And I regret trying so hard to fix the low-water problem in Devils Lake when I first took office.

In terms of larger issues:

We must pass the Dakota Water Resources Act to complete the Garrison Diversion Project and secure a stable water supply for eastern North Dakota.

And at the same time, an outlet at Devils Lake is essential for stabilizing the economy of that large and important region.

Although we made progress, my administration came up short in efforts to develop a statewide wetlands policy that effectively defines wetlands and identifies a goal for the total number of land acres to be held in public hands.

Despite our focus on growing jobs and improving the economy, funding for our state's Economic Development agency has dropped consistently in the past eight years. I regret not being a more vocal champion of this agency. I was content to say "We'll make it work with the resources we have."

I'm proud of the progress we have made in agriculture. We have successfully elevated the need for aggressive federal trade policy that promotes our quality agriculture products on the world market. We have also increased considerably our state's value-added agriculture assets. However, a lot of work remains to make our farmers full players in the new economy, and that must continue to be a major focus of our economic development efforts.

For the past couple months people have been asking me what I'm going to miss the most about being Governor. That's a tough question ... In **my** experience, this has been just about the best job I could dream of.

But ... if I had to summarize what I will miss the most in just a phrase, I have to say it will be "the view."

Not just the stunning view of the Capitol Mall that I enjoy every day, in all seasons, from the windows in my office. But the unique view of our state and its people that I have enjoyed for eight years.

Much of what I have seen is great. Hard working, faithful people. Dedicated parents and grandparents. Concerned leaders. Compassionate, innovative and giving North Dakotans trying to build better lives for themselves and their children.

But I've also observed some qualities that do not serve us so well. And this leads me to the final item on my "to do" list. I believe it is the crux of what we must address to make our state truly prosperous.

North Dakotans are reluctant to support bold change -- change that requires sacrifices by some in order to provide a better future for the whole.

I think back to our efforts to change the school funding formula.

We made several major attempts to do this. But all of them were ultimately rejected by the legislature. Meanwhile, the shortcomings of the current system continue to plague us. The formula places a large burden on property owners. While funding increases have improved the situation dramatically, equity is still a challenge. The mill levy deduct system ultimately will take money out of some districts and give it to others.

Therefore, I think our current system is fundamentally flawed. And, I'm afraid that declining enrollments will continue to magnify these problems.

Many legislators ultimately rejected our proposed formula because it changed funding for their home district. They feared the political ramifications of their constituents.

It's an understandable reaction. But, we're at a time in our state when, in order to protect our future, we must reject our natural instincts to protect parts of the past that are no longer valid.

We must make a real commitment here and now to support bold change if we are going to achieve the bright future that can be ours.

The past eight years have been a rebuilding process - rebuilding an economic foundation for this state.

We've invested in education and infrastructure. We've lowered the cost of government. We've created a better arena of performance for business, diversified our economy and created more opportunities.

And we've done all this while fighting unprecedented natural disasters that have drained millions of dollars and resources from the general fund.

To use a running analogy, North Dakota is now positioned in the middle of the pack going into the final leg of a 10K race. We can run conservatively, and in the end finish near the last. Or, we can make a move, give it all we've got, support bold change and hope to earn a place in the winner's circle.

This budget makes the move. It makes bold investments in key high-tech areas that I believe are essential for North Dakota's future. These investments are made possible by sacrifices -- by many agencies and programs that did not get what they asked for.

Everyone will not be satisfied with this budget. THAT is the key to its success. I urge legislators to recognize this and support it.

We will not move forward in this state if we don't develop the political will to make difficult but necessary choices.

The stage is set.

People at all levels, especially legislators, must engage in the effort. We must agree to the priorities, and most importantly, we must invest in them mentally, socially and financially.

If we do this, I know we can create better paying jobs, enhance our rural heritage and attract many new people to our fine state.

In fact, we have proven that it can be done.

Six years ago, Admiral Bill Owens and I shared a notion that technology could provide a spark to reignite the economic engines of small towns. We began to sketch out the outline of a plan called CERA - Centers for Excellence in Rural America - that called for leveraging technology at every level to improve education, health care and create good paying high-tech jobs.

We identified Watford City and Mayville as our first CERA towns.

Community leaders there quickly embraced the concept and got to work. But for years, we had a tough time describing the project. No one could create a sensible and snappy name. We struggled to describe the project and its promise. Many people totally dismissed the idea as unrealistic.

But a few visionary leaders kept the faith - one of them was Rosemarie Myrdal.

Last week, Rosemarie and I received a great parting gift to our term in office. In our annual meeting for the CERA project, we learned that Watford City has 75 new jobs as a result of CERA. Four former North Dakotans are moving back to our state and will be earning \$40,000 to \$50,000 per year. Think of the impact that has in a small community.

The economic activity has convinced local phone companies to offer high-speed DSL service to homes in both communities. So people in Mayville and Watford City will have better Internet connections than people in downtown Denver or Minneapolis.

This example is so meaningful because it is finally proof that the opportunities offered by technology that I've been talking about for eight years are not just wild imaginations, they are realistic dreams.

But the road to get there is not safe. It isn't comfortable or easy or conventional.

Then again, life in North Dakota never has been. I've outlined a plan today that sets priorities - priorities I believe will move us a step closer to this dream. I know Governor-elect John Hoeven has many ideas to add to this plan.

I urge you to look carefully at these new ideas. Embrace them. Make them better. And take the bold action we need to support the priorities that will move North Dakota confidently toward a future of new opportunities.

When I took office, North Dakota had weathered some bad times. People were down on their luck and down on themselves.

The attitudes then reminded me of my mindset when I left North Dakota and moved to New York. When I first arrived there in 1971, people asked me where I was from. I would kind of look at my shoes, hunch my shoulders and mumble, "North Dakota."

That was the prevailing culture of North Dakota at the time. It was how I thought others perceived my home state.

Clueless New Yorkers would of course say, "Oh yeah, I know where that is. That's where the faces are in the side of the mountain!"

But it wasn't long until I realized I was meeting many displaced Nodakers who were highly respected. They were leaders in their businesses, communities, and churches -- looked up to and well-regarded.

Soon I was holding my head high and proclaiming, "I'm from North Dakota and I can't wait to get back there."

But I had to leave North Dakota to appreciate it.

Today our culture is changing. Now more than ever, I sense a renewed spirit here. People are proud of this state and know that we can compete in the global economy just as well as anyone else.

And the citizens of North Dakota are ready to take the next step.

Eight years ago we started a journey. I called it an "era of new opportunity." Working together we saw our state start to respond to the changes and ideas and new attitudes we promoted.

The news for five years was good. New jobs, increasing personal income, and growing population.

Then, in 1997, our state received a severe blow that knocked the wind out of our sails - devastating storms and floods and fires.

When the floodwaters receded, 10 percent of our population had been displaced from their homes. It was bad news and tough times for thousands of people in this state.

We heard of people leaving, incomes stagnating, farmers struggling. People started getting restless and frustrated and demoralized.

The negative forces resurfaced and began spreading the word again, that North Dakota was doomed to the status quo. "See, we told you it wouldn't work. We told you we just can't do it."

But I am proud that the people of North Dakota rejected the naysayers.

In this last election, our citizens said, "We have every right to believe we can compete in the global marketplace." North Dakotans cast aside that growing gloom and embraced our positive direction.

We have faced the storms and we are moving into the sun again. North Dakotans inherently know that we are in a competitive position in that last mile and we can win!

And I say YES!! Way to go North Dakota. We are on the way and we have the support of the people to make the bold changes needed to get us there.

And now, my last view from this podium and as Governor.

As I look around this room, I see the faces of leaders and friends. It has been a sincere honor and privilege to serve with you these past eight years. We have worked hand in hand tirelessly for the worthy people we represent.

I also see the faces of North Dakota -- people with whom I have laughed and cried and worked.

Departing will be bittersweet for me. As I told a reporter the other day, I'll be walking out the door next Thursday kicking my heels with joy, but wiping a tear from my eye.

But it feels good.

I leave this office with more faith than ever in North Dakota and North Dakotans. I continue to discover the North Dakota "Spirit." I've witnessed it time and time again. And I know we will prevail.

Thank you. God bless you and God bless North Dakota.

MOTION

REP. MONSON MOVED that the Joint Session be dissolved, which motion prevailed. The Joint Session was declared dissolved by Lt. Governor Myrdal, President of the Senate.

THE HOUSE RECONVENED following the Joint Session.

MOTION

REP. MONSON MOVED that the absent member be excused, which motion prevailed.

REP. MONSON MOVED that the House stand adjourned until 12:00 noon, Tuesday, January 9, 2001, which motion prevailed.

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

MARK L. JOHNSON, Chief Clerk