

## JOURNAL OF THE SENATE

## Fifty-eighth Legislative Assembly

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Bismarck, April 25, 2003

The Senate convened at 9:00 a.m., with President Pro Tem Traynor presiding.

The prayer was offered by Senator Krebsbach.

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

A quorum was declared by the President Pro Tem.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2012.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2232.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has signed: HCR 3027.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1001, HB 1002, HB 1004, HB 1007, HB 1016, HB 1017, HB 1018, HB 1019, HB 1020, HB 1021, HB 1023, HB 1497.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2008, SB 2009, SB 2013, SB 2016, SB 2019, SB 2232, SB 2285, SB 2335.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1003, HB 1011, HB 1012.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: SB 2008, SB 2009, SB 2013, SB 2016, SB 2019, SB 2232, SB 2285, SB 2335.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 12:30 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Pro Tem Traynor presiding.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2012, as engrossed:** Your conference committee (Sens. Bowman, Kilzer, Krauter and Reps. Delzer, Warnke, Kerzman) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1193-1201, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1193-1201 of the Senate Journal and pages 1323-1332 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "institutions" insert "; to provide an exception; to provide for legislative council studies" and replace "a statement" with "statements"

Page 1, line 13, replace "11,027,431" with "11,016,285"

Page 1, line 14, replace "34,066,362" with "33,567,188"

Page 1, line 16, replace "2,261,556" with "3,261,556"

Page 1, line 17, replace "47,358,043" with "47,847,723"

Page 1, line 18, replace "33,134,565" with "34,130,107"

Page 1, line 19, replace "14,223,478" with "13,717,616"

Page 1, line 22, replace "22,077,620" with "22,053,781"

Page 1, line 23, replace "38,456,409" with "37,381,409"

Page 2, line 1, replace "288,492,803" with "288,837,725"

Page 2, line 2, replace "890,942,979" with "918,049,664"

Page 2, line 3, replace "1,240,009,483" with "1,266,362,251"

Page 2, line 4, replace "978,141,758" with "956,761,496"

Page 2, line 5, replace "261,867,725" with "309,600,755"

Page 2, replace lines 7 through 21 with:

"MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY"

Total general fund appropriation	\$250,000
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NORTHWEST HUMAN SERVICE CENTER

Total all funds	\$7,275,679
Less estimated income	<u>3,645,640</u>
Total general fund appropriation	\$3,630,039

NORTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$14,564,870
Less estimated income	<u>6,723,674</u>
Total general fund appropriation	\$7,841,196

LAKE REGION HUMAN SERVICE CENTER

Total all funds	\$8,420,933
Less estimated income	<u>3,782,973</u>
Total general fund appropriation	\$4,637,960

NORTHEAST HUMAN SERVICE CENTER

Total all funds	\$19,441,183
Less estimated income	<u>11,444,820</u>
Total general fund appropriation	\$7,996,363

SOUTHEAST HUMAN SERVICE CENTER

Total all funds	\$20,724,542
Less estimated income	<u>11,215,222</u>
Total general fund appropriation	\$9,509,320

SOUTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$11,358,975
Less estimated income	<u>5,731,868</u>
Total general fund appropriation	\$5,627,107

WEST CENTRAL HUMAN SERVICE CENTER

Total all funds	\$17,584,844
Less estimated income	<u>9,121,635</u>
Total general fund appropriation	\$8,463,209

BADLANDS HUMAN SERVICE CENTER

Total all funds	\$8,924,627
Less estimated income	<u>4,558,723</u>
Total general fund appropriation	\$4,365,904

## STATE HOSPITAL

Total all funds	\$41,889,561
Less estimated income	<u>16,405,360</u>
Total general fund appropriation	\$25,484,201

## DEVELOPMENTAL CENTER

Total all funds	\$40,761,057
Less estimated income	<u>31,949,828</u>
Total general fund appropriation	\$8,811,229
Total all funds - Subdivision 3	\$191,196,271
Total estimated income - Subdivision 3	\$104,579,743
Total general fund appropriation - Subdivision 3	\$86,616,528"

Page 2, line 22, replace "362,336,976" with "410,984,899"

Page 2, line 23, replace "1,114,504,351" with "1,097,596,346"

Page 2, line 24, replace "1,476,841,327" with "1,508,581,245"

Page 2, line 28, replace "health centers" with "entities"

Page 2, line 29, after "services" insert "for the purpose of health center grant application submission"

Page 2, after line 30, insert:

**"SECTION 3. APPROPRIATION - LEGISLATIVE INTENT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, and from federal funds, the sum of \$2,125,000 to the department of human services for the purpose of supplementing other appropriations provided for the medical assistance program, the developmental center, the state hospital, and home and community-based services programs for the biennium beginning July 1, 2003, and ending June 30, 2005. It is the intent of the legislative assembly that whenever possible, the department use the general fund moneys appropriated under this section to maximize federal funding for these programs and functions."

Page 3, line 6, replace "\$2,261,556" with "\$3,261,556"

Page 3, replace lines 13 through 23 with:

**"SECTION 6. HEALTH CARE TRUST FUND - TRANSFER TO GENERAL FUND.** The office of management and budget shall transfer \$35,911,035 from the health care trust fund to the general fund during the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 7. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this Act, and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2003, and ending June 30, 2005. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2004, any transfers made in excess of \$50,000 and to the appropriations committees of the fifty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 8. FEDERAL TANF BLOCK GRANT PROGRAMS - EXPENDITURE LIMIT.** The department of human services shall make the changes necessary to programs utilizing funding from the temporary assistance for needy families (TANF) block grant to provide that by the end of the 2003-05 biennium, the cumulative funding anticipated to be spent for these programs for each fiscal year does not exceed North Dakota's annual federal TANF block grant allocation, including any incentive or bonus grants awarded to North Dakota.

**SECTION 9. MEDICAL SERVICES - COPAYMENTS AND SERVICE LIMITS.** The department of human services shall establish a six dollar copayment for medical assistance recipients for each emergency room visit that is not designated an

emergency service by the medical services provider. The department of human services shall establish other service copayments or limits and make other programmatic changes within the medical services program to operate the program within the funding levels approved by the fifty-eighth legislative assembly for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 10. NURSING HOME RATES - EXCEPTION - DIRECT CARE LIMIT.** Notwithstanding subsection 4 of section 50-24.4-10, the department of human services shall establish an eighty-five dollar per diem limit, adjusted for inflation under subsection 5 of section 50-24.4-10, on allowable operating costs for direct care services of nursing facilities for purposes of determining nursing facility payment rates for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 11. SUPPORTED LIVING ARRANGEMENTS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES - LOCAL MATCHING FUNDS - FUNDING ALLOCATION.** The grants - medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the general fund for supported living arrangement services for individuals with developmental disabilities. This funding may be spent only if local or private funding is provided for these services on a dollar-for-dollar matching fund basis. The department shall allocate the funding appropriated for this purpose proportionately to each human service region of the state based on the number of individuals with developmental disabilities seeking supported living arrangement services in each region for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 12. LEGISLATIVE INTENT - VOCATIONAL REHABILITATION - SURVEY TIME PERIOD.** It is the intent of the legislative assembly that the department of human services only survey vocational rehabilitation clients who become employed regarding job retention and job satisfaction after three months of employment if allowed under federal regulations for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 13. COMPULSIVE GAMBLING TREATMENT SERVICES - LIMITATION.** Notwithstanding section 1 of House Bill No. 1243, as approved by the fifty-eighth legislative assembly, the department of human services may not spend in excess of \$400,000 for compulsive gambling treatment services for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 14. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICES ADMINISTRATIVE COSTS.** The legislative council shall consider studying, during the 2003-04 interim, administrative costs of human service programs, including costs incurred by the central office of the department of human services, human service centers, and county social services. If studied, the legislative council shall review the effects of the 1997 "swap" legislation on state and county human service program costs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 15. LEGISLATIVE COUNCIL STUDY - CHILDREN WITH SPECIAL HEALTH NEEDS.** The legislative council shall consider studying, during the 2003-04 interim, programs providing services to children with special health care needs in North Dakota and service needs of these children which are not available under current programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 16. LEGISLATIVE COUNCIL STUDY - MEDICAID ADVISORY COUNCIL.** The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of establishing an advisory council for the medical assistance program of the department of human services. If studied, the legislative council shall consider including representatives of private health care providers on the advisory council. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 17. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE CONTINUUM.** The legislative council shall consider studying, during the 2003-04 interim, North Dakota's long-term care continuum of services, including service delivery methods and payment systems. If studied, the legislative council shall consider the cost-effectiveness of the programs and the appropriateness of rate structures and the

nursing home equalized rate policy. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Page 3, line 24, replace "state hospital" with "total all funds" and after "item" insert "for the state hospital"

ReNUMBER accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Management						
Total all funds	\$47,962,467	\$47,358,043	\$489,680	\$47,847,723	\$46,566,374	\$1,281,349
Less estimated income	31,912,324	33,134,565	995,542	34,130,107	34,130,107	
General fund	\$16,050,143	\$14,223,478	(\$505,862)	\$13,717,616	\$12,436,267	\$1,281,349
DHS - Program/Policy						
Total all funds	\$1,247,161,224	\$1,240,059,483	\$26,352,768	\$1,266,412,251	\$1,262,386,729	\$4,025,522
Less estimated income	974,986,069	978,141,758	(21,380,262)	956,761,496	955,486,496	1,275,000
General fund	\$272,175,155	\$261,917,725	\$47,733,030	\$309,650,755	\$306,900,233	\$2,750,522
DHS - State Hospital						
Total all funds	\$44,312,699	\$41,931,048	(\$41,487)	\$41,889,561	\$41,889,561	\$0
Less estimated income	16,405,360	16,405,360		16,405,360	16,405,360	
General fund	\$27,907,339	\$25,525,688	(\$41,487)	\$25,484,201	\$25,484,201	\$0
DHS - Developmental Center						
Total all funds	\$42,148,253	\$40,808,116	(\$47,059)	\$40,761,057	\$40,761,057	\$0
Less estimated income	32,234,480	31,984,652	(34,824)	31,949,828	31,949,828	
General fund	\$9,913,773	\$8,823,464	(\$12,235)	\$8,811,229	\$8,811,229	\$0
DHS - Mental health contingency						
Total all funds	\$250,000	\$250,000	\$0	\$250,000	\$250,000	\$0
Less estimated income						
General fund	\$250,000	\$250,000	\$0	\$250,000	\$250,000	\$0
DHS - Northwest HSC						
Total all funds	\$7,331,947	\$7,280,942	(\$5,263)	\$7,275,679	\$7,275,679	\$0
Less estimated income	3,647,636	3,645,798	(158)	3,645,640	3,645,640	
General fund	\$3,684,311	\$3,635,144	(\$5,105)	\$3,630,039	\$3,630,039	\$0
DHS - North Central HSC						
Total all funds	\$14,684,062	\$14,576,944	(\$12,074)	\$14,564,870	\$14,564,870	\$0
Less estimated income	6,735,850	6,725,002	(1,328)	6,723,674	6,723,674	
General fund	\$7,948,212	\$7,851,942	(\$10,746)	\$7,841,196	\$7,841,196	\$0
DHS - Lake Region HSC						
Total all funds	\$8,490,227	\$8,427,435	(\$6,502)	\$8,420,933	\$8,420,933	\$0
Less estimated income	3,790,662	3,783,753	(780)	3,782,973	3,782,973	
General fund	\$4,699,565	\$4,643,682	(\$5,722)	\$4,637,960	\$4,637,960	\$0
DHS - Northeast HSC						
Total all funds	\$17,628,299	\$17,508,856	\$1,932,327	\$19,441,183	\$19,441,183	\$0
Less estimated income	10,099,083	10,050,301	1,394,519	11,444,820	11,444,820	
General fund	\$7,529,216	\$7,458,555	\$537,808	\$7,996,363	\$7,996,363	\$0
DHS - Southeast HSC						
Total all funds	\$20,924,037	\$20,743,221	(\$18,679)	\$20,724,542	\$20,724,542	\$0
Less estimated income	11,233,890	11,217,090	(1,868)	11,215,222	11,215,222	
General fund	\$9,690,147	\$9,526,131	(\$16,811)	\$9,509,320	\$9,509,320	\$0
DHS - South Central HSC						
Total all funds	\$11,454,381	\$11,367,850	(\$8,875)	\$11,358,975	\$11,358,975	\$0
Less estimated income	5,741,308	5,732,844	(976)	5,731,868	5,731,868	
General fund	\$5,713,073	\$5,635,006	(\$7,899)	\$5,627,107	\$5,627,107	\$0
DHS - West Central HSC						
Total all funds	\$17,713,897	\$17,596,609	(\$11,765)	\$17,584,844	\$17,584,844	\$0
Less estimated income	9,137,950	9,123,282	(1,647)	9,121,635	9,121,635	
General fund	\$8,575,947	\$8,473,327	(\$10,118)	\$8,463,209	\$8,463,209	\$0
DHS - Badlands HSC						
Total all funds	\$9,004,972	\$8,932,780	(\$8,153)	\$8,924,627	\$8,924,627	\$0
Less estimated income	4,569,807	4,559,946	(1,223)	4,558,723	4,558,723	
General fund	\$4,435,165	\$4,372,834	(\$6,930)	\$4,365,904	\$4,365,904	\$0
DHS - Health and medical funding pool						
Total all funds	\$0	\$0	\$3,125,000	\$3,125,000	\$0	\$3,125,000
Less estimated income			2,125,000	2,125,000		2,125,000
General fund	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Bill Total						
Total all funds	\$1,489,066,465	\$1,476,841,327	\$31,739,918	\$1,508,581,245	\$1,500,149,374	\$8,431,871
Less estimated income	1,110,494,419	1,114,504,351	(16,908,005)	1,097,596,346	1,094,196,346	3,400,000
General fund	\$378,572,046	\$362,336,976	\$48,647,923	\$410,984,899	\$405,953,028	\$5,031,871

#### Senate Bill No. 2012 - Department of Human Services - Management - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,147,734	\$11,027,431	(\$11,146)	\$11,016,285	\$11,016,285	
Operating expenses	34,550,483	34,066,362	(499,174)	33,567,188	32,285,839	\$1,281,349
Capital assets	2,694	2,694		2,694	2,694	
Developmentally disabled facility loan	2,261,556	2,261,556	1,000,000	3,261,556	3,261,556	
Total all funds	\$47,962,467	\$47,358,043	\$489,680	\$47,847,723	\$46,566,374	\$1,281,349
Less estimated income	<u>31,912,324</u>	<u>33,134,565</u>	<u>995,542</u>	<u>34,130,107</u>	<u>34,130,107</u>	
General fund	\$16,050,143	\$14,223,478	(\$505,862)	\$13,717,616	\$12,436,267	\$1,281,349
FTE	113.80	113.80	0.00	113.80	113.80	0.00

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	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
<b>Administration Support - Conference Committee Changes</b>				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$6,688)	(\$4,458)	(\$11,146)
<b>Administration Support Program</b>			1,000,000	1,000,000
Increases funding from the lands and minerals trust fund to accommodate any loan prepayments by develop- mental disabilities services providers during the 2003-05 biennium, the same as the House version				
<b>Information Technology Division Program</b>				
Reduces funding to reflect a reduction in information technology funding from the general fund of approximately 5 percent		(499,174)		(499,174)
<b>Total Conference Committee Changes - Administration Support</b>	0.00	(\$505,862)	\$995,542	\$489,680

### Other Changes Affecting Administration Support Programs or Multiple Programs of the Department

A section is added providing for a Legislative Council study of administrative costs of the Department of Human Services' central office, human service centers, and county social services. The House also added this section.

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission or Budget Section approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2005 Legislative Assembly and any transfers over \$50,000 to the Budget Section after June 30, 2004. The House also added this section.

Section 5 of the bill is removed which would have authorized the department to transfer funds between the State Hospital, the Developmental Center, and the human service centers and to increase the number of FTE positions at these institutions and centers. The House also removed this section.

### Senate Bill No. 2012 - Department of Human Services - Program/Policy - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$22,311,231	\$22,077,620	(\$23,839)	\$22,053,781	\$22,053,781	
Operating expenses	38,397,710	38,456,409	(1,075,000)	37,381,409	37,331,409	\$50,000
Capital assets	39,672	39,672		39,672	39,672	
Grants	288,491,078	288,492,803	344,922	288,837,725	287,987,203	850,522
Grants - Medical assistance	897,921,533	890,942,979	27,106,685	918,049,664	914,924,664	3,125,000
Health center grants		<u>50,000</u>		<u>50,000</u>	<u>50,000</u>	
Total all funds	\$1,247,161,224	\$1,240,059,483	\$26,352,768	\$1,266,412,251	\$1,262,386,729	\$4,025,522
Less estimated income	<u>974,986,069</u>	<u>978,141,758</u>	<u>(21,380,262)</u>	<u>956,761,496</u>	<u>955,486,496</u>	<u>1,275,000</u>
General fund	\$272,175,155	\$261,917,725	\$47,733,030	\$309,650,755	\$306,900,233	\$2,750,522
FTE	234.80	234.80	0.00	234.80	234.80	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

#### <sup>1</sup> Program/Policy Management - Conference Committee Changes

Reverses a portion of the \$4 million  
funding source change made by the Senate

\$850,000 (\$850,000)

Reduces operating expenses. The department  
may determine the specific areas to reduce.  
The House also made this reduction.

(1,000,000) (\$1,000,000)

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month	(7,087)	(\$16,752)	(23,839)
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**Economic Assistance Policy Program**

No changes

**Child Support Program**

No changes

**Medical Services Program**

Restores a portion of the funding removed by the Senate for optional medical services for adults, including durable medical equipment, optometric services, and psychological services, the same as the House version	1,100,000	2,337,500	3,437,500
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Restores a portion of the funding reduced by the Senate for prescription drugs in the medical assistance program to provide funding for prescription drugs of \$95.2 million. The Senate reduced prescription drug funding by \$9 million, from \$101.1 million recommended in the executive budget to \$92.1 million. The House did not change the Senate version.	1,000,000	2,125,000	3,125,000
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Increases funding for medical assistance grants with the priority for use of the funding designated for increasing payments for inpatient, outpatient, and physician services. The state matching funds of \$500,000 are from the health care trust fund. Note the funding source change to the general fund below. The House included this additional funding but provided that it be used only for increasing payments for inpatient and outpatient hospital services.		1,562,500	1,562,500
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Removes funding for rehabilitation services relating to the Ruth Meiers Adolescent Treatment Center because the center will continue to be operated by the Northeast Human Service Center rather than by a private organization as anticipated in the executive budget and Senate version. The funding removed is being added to the Northeast Human Service Center. The House also made these changes.	(493,277)	(1,046,556)	(1,539,833)
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Adds funding to increase the allowable fringe benefit percentage for employees of developmental disabilities services providers from 30 to 33 percent of salary. The state matching funds of \$1,119,628 are from the health care trust fund. Note the funding source change to the general fund below. The House also made these changes.		3,498,839	3,498,839
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Increases funding to provide an additional 37-cent per hour salary increase to employees of developmental disabilities services providers. This amount is in addition to the funding added by the Senate to provide for a 50-cent per hour increase. The state matching funds of \$1,872,229 are from the health care trust fund. Note the funding source change to the general fund below. The House also made these changes.		5,850,715	5,850,715
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**Long-Term Care Program**

Changes the funding source for nursing facility care in the medical assistance program from the health care trust fund to the general fund. Funding recommended in the executive budget and Senate version for this purpose totaled \$29,137,300 from the health care trust fund. The Conference Committee and House version appropriate \$19,545,393 from the health care trust fund. Note the additional funding source change to the general fund below.	9,591,907	(9,591,907)	
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Provides for the nursing facility direct care limit to be set at \$85 rather than the 85th percentile as included in the executive budget and the Senate version. The state matching funds of \$2,925,207 are from the health care trust fund. Note the funding source change to the general fund below. A section is added authorizing the department to establish the limit at \$85 for the 2003-05 biennium. The House also made these changes.		9,129,859	9,129,859
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Restores \$1,750,000 of the \$4,382,049 general fund reduction made by the Senate to the service payments for elderly and disabled (SPED) program with funding from the health care trust fund. Note the funding source change to the general fund below. Funding from the counties is increased by \$92,105. The House also made these changes.		1,842,105	1,842,105
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Adds funding for increasing home and community-based services case management fees	150,000		150,000
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**Aging Services Program**

Reduces funding from the health care trust fund for qualified service provider training grants from \$140,000 to \$40,000. Note the funding source change below. The House also made these changes.		(100,000)	(100,000)
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**Children and Family Services Program**

Changes the source of funding to reflect additional federal funds anticipated to be available from	(43,331)	43,331	
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"refinancing" activities of the Children's Services Coordinating Committee during the 2003-05 biennium, the same as the House version

Removes funding for foster care room and board costs relating to the Ruth Meiers Adolescent Treatment Center because the center will continue to be operated by the Northeast Human Service Center rather than by a private organization as anticipated in the executive budget and Senate version. The funding removed is being added to the Northeast Human Service Center. The House also made these changes.	(51,739)	(353,861)	(405,600)
Restores funding removed in the executive budget for family preservation services to provide for a 90/10 state/county match rather than 80/20 as included in the executive budget	475,147		475,147
Provides funding to maintain county reimbursements for child abuse and neglect assessments at \$400 per assessment	225,375		225,375
<b>Mental Health and Substance Abuse Program</b> Reduces funding for gambling addiction services from \$225,000 to \$150,000. The House version reduced this funding to \$100,000.	(75,000)		(75,000)
<b>Developmental Disabilities Council</b> No changes			
<b>Disabilities Program</b> Changes the source of funding for independent living center grants from the health care trust fund to the general fund, the same as the House version			
	100,000	(100,000)	
Adds funding from the health care trust fund for supported living arrangement services, the same as the House version. Note the funding source change below. A section is added providing that these funds may be spent only if local or private matching funds of one to one are provided for the services. The section also directs the department to allocate the funds to each region based on each region's share of individuals with developmental disabilities who are seeking these services. The House version provided for matching funds of two to one.		200,000	200,000
<b>All Programs</b> Changes the funding source from the health care trust fund to the general fund for all Department of Human Services programs that were to receive funding from the health care trust fund. A section is added transferring \$35,911,035 from the health care trust fund to the general fund during the 2003-05 biennium.	35,911,035	(35,911,035)	
<b>Total Conference Committee Changes - Program/Policy Management</b>	0.00	\$47,733,030	(\$21,380,262)
			\$26,352,768

### Other Changes Affecting Program/Policy Management Programs

Section 2, added by the Senate, which appropriates \$50,000 from the general fund for health center grants, is amended to allow any community entity to be eligible to receive a grant from the department to assist it in applying for federal health center grants. The House also made this change.

A section is added requiring the department to make the program changes necessary to operate programs utilizing funding from the federal temporary assistance for needy families (TANF) block grant within North Dakota's funding allocation by the end of the 2003-05 biennium. The House also included this section.

A section is added directing the department to establish a \$6 copayment for Medicaid recipients for each emergency room visit that is not considered an emergency by hospital personnel and directing the department to make other programmatic changes or establish other copayments or service limits within the medical services program to operate the program within the funding level approved by the Legislative Assembly for the 2003-05 biennium. The House also included this section.

A section is added limiting department expenditures for compulsive gambling treatment services to \$400,000 for the 2003-05 biennium.

A section is added providing for a Legislative Council study of programs providing services to children with special health care needs. The House also included this section.

A section is added providing for a Legislative Council study of North Dakota's long-term care continuum of services, including service delivery methods and payment systems. The House also included this section.



A section is added providing for a Legislative Council study of the feasibility and desirability of creating a Medicaid advisory council. The House also included this section.

A section of legislative intent is added providing that the department conduct three-month rather than three-month and six-month "followup" reviews of vocational rehabilitation clients who begin working if allowed under federal regulations. The House also included this section.

### Senate Bill No. 2012 - Department of Human Services - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Human service centers/ institutions	\$44,312,699	\$41,931,048	(\$41,487)	\$41,889,561	\$41,889,561	
Total all funds	\$44,312,699	\$41,931,048	(\$41,487)	\$41,889,561	\$41,889,561	\$0
Less estimated income	<u>16,405,360</u>	<u>16,405,360</u>		<u>16,405,360</u>	<u>16,405,360</u>	
General fund	\$27,907,339	\$25,525,688	(\$41,487)	\$25,484,201	\$24,484,201	\$0
FTE	416.90	416.90	0.00	416.90	416.90	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

#### <sup>1</sup> State Hospital - Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$41,487)			(\$41,487)
<b>Total Conference Committee Changes - State Hospital</b>		0.00	(\$41,487)	\$0		(\$41,487)

### Other Changes Affecting the State Hospital

Subdivision 3 of Section 1 of the bill is changed to appropriate funds by funding source for the State Hospital, the Developmental Center, and each of the human service centers rather than appropriating the funds by funding source only in total for all entities. The House also made this change.

### Senate Bill No. 2012 - Department of Human Services - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Human service centers/ institutions	\$42,148,253	\$40,808,116	(\$7,059)	\$40,761,057	\$40,761,057	
Total all funds	\$42,148,253	\$40,808,116	(\$7,059)	\$40,761,057	\$40,761,057	\$0
Less estimated income	<u>32,234,480</u>	<u>31,984,652</u>	<u>(34,824)</u>	<u>31,949,828</u>	<u>31,949,828</u>	
General fund	\$9,913,773	\$8,823,464	(\$12,235)	\$8,811,229	\$8,811,229	\$0
FTE	458.04	458.04	0.00	458.04	458.04	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

#### <sup>1</sup> Developmental Center - Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$12,235)	(\$34,824)	(\$47,059)	
<b>Total Conference Committee Changes - Developmental Center</b>		0.00	(\$12,235)	(\$34,824)	(\$47,059)	

### Other Changes Affecting the Developmental Center

Subdivision 3 of Section 1 of the bill is changed to appropriate funds by funding source for the State Hospital, the Developmental Center, and each of the human service centers rather than appropriating the funds by funding source only in total for all entities. The House also made this change.

### Senate Bill No. 2012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
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DHS - Mental health contingency	\$250,000	\$250,000		\$250,000	\$250,000
DHS - Northwest HSC	3,684,311	3,635,144	(\$5,105)	3,630,039	3,630,039
DHS - North Central HSC	7,948,212	7,851,942	(10,746)	7,841,196	7,841,196
DHS - Lake Region HSC	4,699,565	4,643,682	(5,722)	4,637,960	4,637,960
DHS - Northeast HSC	7,529,216	7,458,555	537,808	7,996,363	7,996,363
DHS - Southeast HSC	9,690,147	9,526,131	(16,811)	9,509,320	9,509,320
DHS - South Central HSC	5,713,073	5,635,006	(7,899)	5,627,107	5,627,107
DHS - West Central HSC	8,575,947	8,473,327	(10,118)	8,463,209	8,463,209
DHS - Badlands HSC	<u>4,435,165</u>	<u>4,372,834</u>	<u>(6,930)</u>	<u>4,365,904</u>	<u>4,365,904</u>
Total general fund	\$52,525,636	\$51,846,621	\$474,477	\$52,321,098	\$52,321,098

### Senate Bill No. 2012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Mental health contingency						
DHS - Northwest HSC	\$3,647,636	\$3,645,798	(\$158)	\$3,645,640	\$3,645,640	
DHS - North Central HSC	6,735,850	6,725,002	(1,328)	6,723,674	6,723,674	
DHS - Lake Region HSC	3,790,662	3,783,753	(780)	3,782,973	3,782,973	
DHS - Northeast HSC	10,099,083	10,050,301	1,394,519	11,444,820	11,444,820	
DHS - Southeast HSC	11,233,890	11,217,090	(1,868)	11,215,222	11,215,222	
DHS - South Central HSC	5,741,308	5,732,844	(976)	5,731,868	5,731,868	
DHS - West Central HSC	9,137,950	9,123,282	(1,647)	9,121,635	9,121,635	
DHS - Badlands HSC	<u>4,569,807</u>	<u>4,559,946</u>	<u>(1,223)</u>	<u>4,558,723</u>	<u>4,558,723</u>	
Total other funds	\$54,956,186	\$54,838,016	\$1,386,539	\$56,224,555	\$56,224,555	

### Senate Bill No. 2012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Mental health contingency	\$250,000	\$250,000		\$250,000	\$250,000	
DHS - Northwest HSC	7,331,947	7,280,942	(\$5,263)	7,275,679	7,275,679	
DHS - North Central HSC	14,684,062	14,576,944	(12,074)	14,564,870	14,564,870	
DHS - Lake Region HSC	8,490,227	8,427,435	(6,502)	8,420,933	8,420,933	
DHS - Northeast HSC	17,628,299	17,508,856	1,932,327	19,441,183	19,441,183	
DHS - Southeast HSC	20,924,037	20,743,221	(18,679)	20,724,542	20,724,542	
DHS - South Central HSC	11,454,381	11,367,850	(8,875)	11,358,975	11,358,975	
DHS - West Central HSC	17,713,897	17,596,609	(11,765)	17,584,844	17,584,844	
DHS - Badlands HSC	<u>9,004,972</u>	<u>8,932,780</u>	<u>(8,153)</u>	<u>8,924,627</u>	<u>8,924,627</u>	
Total all funds	\$107,481,822	\$106,684,637	\$1,861,016	\$108,545,653	\$108,545,653	
FTE	817.58	817.58	16.30	833.88	833.88	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

#### <sup>1</sup> Northwest Human Service Center - Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$5,105)	(\$158)	(\$5,263)
<b>Total Conference Committee Changes - Northwest Human Service Center</b>	0.00		(\$5,105)	(\$158)	(\$5,263)

#### North Central Human Service Center - Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$10,746)	(\$1,328)	(\$12,074)
Adds one activity therapist II and one administrative assistant I. Federal funding for the positions is included in the department's 2003-05 biennium budget.	2.00				
<b>Total Conference Committee Changes - North Central Human Service Center</b>	2.00		(\$10,746)	(\$1,328)	(\$12,074)

#### Lake Region Human Service Center - Conference Committee Changes

Removes one FTE vacant administrative position (no funding was included for the position)	(1.00)				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$5,722)	(\$780)	(\$6,502)
<b>Total Conference Committee Changes - Lake Region Human Service Center</b>	(1.00)		(\$5,722)	(\$780)	(\$6,502)

#### Northeast Human Service Center - Conference Committee Changes

Adds funding to continue operating the Ruth Meiers Adolescent Treatment Center. The executive budget and the Senate version anticipated the center would be operated by a private organization. The funding added is being reduced from medical services and children and family services programs.	13.30		\$545,016	\$1,400,417	\$1,945,433
Reduces funding for salaries and wages to reflect			(7,208)	(5,898)	(13,106)

a reduction in state employee health insurance premiums from \$493 to \$488.70 per month

<b>Total Conference Committee Changes - Northeast Human Service Center</b>	13.30	\$537,808	\$1,394,519	\$1,932,327
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**Southeast Human Service Center - Conference Committee Changes**

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month

		(\$16,811)	(\$1,868)	(\$18,679)
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Adds one activity therapist I. Federal funding for the position is included in the department's 2003-05 biennium budget.

	1.00			
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<b>Total Conference Committee Changes - Southeast Human Service Center</b>	1.00	(\$16,811)	(\$1,868)	(\$18,679)
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**South Central Human Service Center - Conference Committee Changes**

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month

		(\$7,899)	(\$976)	(\$8,875)
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<b>Total Conference Committee Changes - South Central Human Service Center</b>	0.00	(\$7,899)	(\$976)	(\$8,875)
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**West Central Human Service Center - Conference Committee Changes**

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month

		(\$10,118)	(\$1,647)	(\$11,765)
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Adds one office assistant I. Federal funding for the position is included in the department's 2003-05 biennium budget.

	1.00			
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<b>Total Conference Committee Changes - West Central Human Service Center</b>	1.00	(\$10,118)	(\$1,647)	(\$11,765)
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**Badlands Human Service Center - Conference Committee Changes**

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month

		(\$6,930)	(\$1,223)	(\$8,153)
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<b>Total Conference Committee Changes - Badlands Human Service Center</b>	0.00	(\$6,930)	(\$1,223)	(\$8,153)
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### Other Changes Affecting the Human Service Centers

Subdivision 3 of Section 1 of the bill is changed to appropriate funds by funding source for the State Hospital, the Developmental Center, and each of the human service centers rather than appropriating the funds by funding source only in total for all entities. The House also made this change.

### Other Changes Affecting the Department of Human Services

A section is added appropriating \$3,125,000, of which \$1 million is from the general fund, for supplementing other funding provided for medical assistance, the Developmental Center, the State Hospital, and home and community-based services programs. The department is to use this additional general fund support for maximizing federal funding, when possible.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. BOWMAN MOVED** that the conference committee report on Engrossed SB 2012 be adopted, which motion prevailed on a verification vote.

Engrossed SB 2012, as amended, was placed on the Eleventh order.

### SECOND READING OF SENATE BILL

**SB 2012:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide for the transfer of appropriation authority between agencies and institutions; to provide an exception; to provide for legislative council studies; to provide statements of legislative intent; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 35 YEAS, 11 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.;

Lindaas; Lyson; Mutch; Nichols; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Bercier; Christenson; Every; Fairfield; Heitkamp; Krauter; Mathern; Nelson; Nething; O'Connell; Taylor

**ABSENT AND NOT VOTING:** Tallackson

Reengrossed SB 2012 passed, the title was agreed to, and the emergency clause was declared carried.

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**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2012.

#### MOTION

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

**THE SENATE RECONVENED** pursuant to recess taken, with President Pro Tem Traynor presiding.

#### MOTION

**SEN. STENEHJEM MOVED** that the Senate be on the Fifteenth order for the purpose of electing an Interim President Pro Tem, which motion prevailed.

#### NOMINATIONS FOR INTERIM PRESIDENT PRO TEM

**SEN. WARDNER:** Mr. President and Members of the Senate: I am honored to place in nomination Sen. Herb Urlacher as President Pro Tem of the Senate during the ensuing interim. Sen. Urlacher was elected to the North Dakota Legislature in 1988. He served in the House of Representatives during the 1989 and 1991 sessions. He was elected to the North Dakota Senate in 1992 where he has served for the past ten years. Senator Urlacher has held chairmanships on Political Subdivisions and the Finance and Taxation Committees in the Senate. He has been a leader in his home community and was one of the driving forces that worked to bring quality water to Southwest North Dakota with development of the Southwest Water Pipeline. He is a man of integrity and fairness. These are traits we all appreciate.

**SEN. HEITKAMP:** It is an honor for me to place in nomination the name of Sen. Elroy Lindaas for Interim President Pro Tem. Sen. Lindaas came to this chamber at the height of a political storm. The majority was in the balance, and yet when he came to this chamber he came as an individual, not intent on partisanship but on statesmanship.

Sen. Lindaas is a man that you know has raised a number of children, in fact, the rumor around Mayville is that his house is still called the "girl's dorm". The reality is - you are always welcome at Sen. Lindaas' - whether it is for a dance, or a cup of coffee, or just conversation. It's Sen. Lindaas, my friend, who I first sat with in this Senate Chamber when I first came to this body, who can take a joke and give a joke. That's one of the things I love about him the most.

He served on Appropriations and if there's any one more dedicated to higher education, I would challenge you to point that individual out to me. Mr. President, it is an honor for me to nominate my friend, Sen. Elroy Lindaas.

#### ANNOUNCEMENT

**PRESIDENT DALRYMPLE ANNOUNCED** that the vote for the office of Interim President Pro Tem showed the Senate was in favor of electing Sen. Urlacher as Interim President Pro Tem.

#### REMARKS BY SENATOR LINDAAS

Thank you to the Senator from District 26 for his "mostly kind" remarks. It makes me wonder how much better it could have been had his medication been stabilized. I am sure I could have gotten more votes. It is no secret that the good Senator has had some pain for a few days. Without divulging the specific location of his ailment, I can only say the location is appropriate to where he has been a pain to so many of us.

Mr. President, I move that the Senate cast a unanimous ballot for our good friend from District 36, Sen. Herb Urlacher.

**MOTION**

The motion made by Sen. Lindaas that the Senate cast a unanimous ballot for Sen. Urlacher for Interim President Pro Tem prevailed.

**OATH OF OFFICE**

**SEN. STENEHJEM MOVED** that a committee of two be appointed to escort Sen. Urlacher to the rostrum, which motion prevailed.

**THE PRESIDENT APPOINTED** Sens. Cook and Lyson to escort Sen. Urlacher to the rostrum for the Oath of Office, which was administered by the President Pro Tem.

**REMARKS OF INTERIM PRESIDENT PRO TEM URLACHER**

Mister President Pro Tem, Chamber Staff, and Fellow Senators, my congratulations to the minority party selection and to Senator Traynor for the terrific job he has done this past session. They deserve a big round of applause.

I have been blessed and honored over the years to have served in a number of areas such as president of school boards, president of the North Dakota Water Users, water resource boards, and other local organizations. Working with the Southwest Water Pipeline and with water development state wide has been dear to my heart as I think water development is the key to economic development.

Serving on a North Dakota Legislative Committee and chairmanships for almost 10 years have been the greatest of honors - serving with you fellow Senators here and in the past as a family working sincerely to do what we feel is right for the people of North Dakota. But being selected Interim President Pro Tem of the Senate is the "Honor of all Honors".

I will do my best, if called upon, to conduct the business of the Senate in a professional manner, with respect, with fairness to both majority and minority parties and I ask God's guidance. God bless you all. Thank you.

**MOTION**

**SEN. CHRISTMANN MOVED** that the remarks of Sens. Wardner, Heitkamp, Lindaas, and Urlacher be printed in the Journal, which motion prevailed.

**MOTION**

**SEN. FREBORG MOVED** the name of Sen. Flakoll be placed in nomination for the position of member of the Education Commission of the States, which motion prevailed.

**MOTION**

**SEN. NELSON MOVED** the name of Sen. Christenson be placed in nomination for the position of member of the Education Commission of the States, which motion prevailed.

**MOTION**

**SEN. CHRISTENSON MOVED** that the Senate cast a unanimous ballot in favor of electing Sen. Flakoll to the Education Commission of the States, which motion prevailed.

**ANNOUNCEMENT**

**PRESIDENT PRO TEM TRAYNOR ANNOUNCED** that the record would show a unanimous ballot had been cast for Sen. Flakoll for the Education Commission of the States.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2012.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1003, HB 1011, HB 1012.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2012.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: SB 2012.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause failed: HB 1022.

**MOTION**

**SEN. STENEHJEM MOVED** that the Senate stand in recess until 3:00 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Pro Tem Traynor presiding.

**ANNOUNCEMENT**

**PRESIDENT PRO TEM TRAYNOR ANNOUNCED** the following Senate interim appointment:

State Council for Interstate Adult Offender Supervision  
Sen. Lyson

**COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on April 25, 2003, I have signed the following: SB 2083.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 5:00 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Pro Tem Traynor presiding.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1022.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1022.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2015, as engrossed:** Your conference committee (Sens. Holmberg, Stenehjem, O'Connell and Reps. Berg, Svedjan, Boucher) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1235-1251, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1235-1251 of the Senate Journal and pages 1402-1419 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, replace "an exemption" with "exemptions" and remove "the provisions of"

Page 1, line 4, after the semicolon insert "to create and enact a new section to chapter 15-10, a new subsection to section 53-06.2-04, and a new section to chapter 54-59 of the North Dakota Century Code, relating to contracts for the provision of meals by institutions of higher education, the duties of the racing commission, and required information technology services from the information technology department; to create and enact section 18 of House Bill No. 1414, section 9 of House Bill No. 1012, section 16 of House Bill No. 1015, and section 2 of Senate Bill No. 2176 as approved by the fifty-eighth legislative assembly, relating to reporting disease outbreaks and quarantine of individuals and declaring that Act an emergency measure, to the speed limit on paved two-lane county and township highways and declaring that Act an emergency measure, to the partnership in assisting community expansion fund, the agriculture partnership in assisting community expansion fund, and the beginning farmer loan fund and declaring that Act an emergency measure, and to participation by retired political subdivision employees in the uniform group insurance program and declaring that Act an emergency measure;" and after "reenact" insert "sections 15-52-03, 15.1-31-07, 26.1-21-09, 34-06-04.1, 54-35-18, 54-35-18.1, and 54-35-18.2, subsection 2 of section 54-44.1-06, section 54-44.1-12, the new section to chapter 55-02 as created by section 2 of Senate Bill No. 2249 as approved by the fifty-eighth legislative assembly, and"

Page 1, line 5, replace "suspending" with "tuition apportionment payments, the membership of the medical center advisory council, the reserve amount in the bonding fund, overtime or work-period claims, the expiration date and membership of the electric industry competition committee, preparation of budget data, budget allotments, the powers of the state historical board, and"

Page 1, line 6, remove "to prohibit the payment of bonuses or temporary salary"

Page 1, line 7, remove "adjustments for extra working hours because of the legislative session;" and replace "a statement" with "statements"

Page 1, line 8, after "intent" insert "; to require reports to the legislative assembly; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of certain appropriation bills; to provide for reports to the budget section; to provide for a legislative council study; to provide for additional lodging reimbursement for members of the legislative assembly; to provide for state employee reductions and compensation pools; to provide for the transfer of state agency information technology positions; to provide an appropriation; to provide for a tax amnesty program;"; remove "and", and after "date" insert "; and to declare an emergency"

Page 1, line 16, replace "15,404,949" with "15,388,231"

Page 1, line 17, replace "11,461,745" with "11,328,756"

Page 1, line 20, replace "27,778,694" with "27,628,987"

Page 1, line 21, replace "7,891,748" with "7,888,476"

Page 1, line 22, replace "19,886,946" with "19,740,511"

Page 2, line 20, replace "special funds" with "\$2,000,000", replace "land" with "lands", and remove "in the amount of"

Page 2, line 21, remove "\$3,000,000"

Page 2, line 23, after "transfer" insert "\$11,910,000"

Page 2, line 24, replace "any balance remaining in" with "from" and remove "as of July 1, 2003"

Page 2, line 30, replace "\$2,000,000" with "\$2,800,000"

Page 3, line 19, replace "\$25,000,000" with "\$9,000,000"

Page 3, line 28, replace "\$9,000,000" with "\$11,000,000"

Page 4, after line 2, insert:

**"SECTION 13.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Contract - Preparation and provision of meals - Policy. An institution under the control of the state board of higher education may enter a contract to prepare and provide meals, snacks, or other food services for persons or programs not affiliated with the institution, provided the institution first establishes a policy regarding such contracts and specifically addressing issues related to competition with private sector entities. An institution under the control of the state board of higher education may not advertise to the general public its willingness to provide meals, snacks, or other food services for persons or programs not affiliated with the institution.

**SECTION 14. AMENDMENT.** Section 15-52-03 of the North Dakota Century Code as amended in section 1 of Senate Bill No. 2282, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

**15-52-03. Medical center advisory council - Members, terms, meetings.**

1. To assure the proper coordination and integration of the North Dakota state medical center with all other health and welfare activities of the state, a permanent medical center advisory council is established to advise, consult, and make recommendations to the university administration, and to the several agencies represented on the council concerning the program of the North Dakota state medical center, the adaptation of the medical center to the needs of the state and to the requirements and facilities of the several agencies involved, and the use of the North Dakota state medical center and its facilities by the various institutions and agencies of the state and its political subdivisions.

2. The council consists of fourteen members:

- a. (1) Two members of the senate and two, one of whom must be from the majority party and one of whom must be from the minority party, selected by the chairman of the legislative council; and
  - (2) Two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party, to be selected by the chairman of the legislative council;
  - b. One member selected by each of the following:
    - (1) The department of human services;
    - (2) The state board of higher education;
    - (3) The state department of health;
    - (4) The North Dakota medical association;
    - (5) The North Dakota healthcare association; and
    - (6) The veterans administration hospital in Fargo; and
  - c. One member selected by the dean of the university of North Dakota medical school from each of the four campus areas of the medical school with headquarters in Bismarck, Fargo, Grand Forks, and Minot.
3. The representatives named by the state agencies and boards must be selected to serve as members of the medical center advisory council for periods of at least one year, but may not serve longer than their term of office on the public agency. The representatives from the North Dakota state medical association and the North Dakota healthcare association serve a term of three years or until their successors are named and qualified.
  4. The council shall name its own chairman and the dean of the university of North Dakota medical school shall serve as executive secretary of the council. The council shall meet not less than twice each year, and, from time to time, on its own motion or upon request of the university administration, to consider plans and programs of action for the North Dakota state medical center and make its recommendations to the several agencies of the state and political subdivisions involved and to the legislative assembly.

**SECTION 15. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to ~~the provisions of this chapter~~ and may attend school in the chosen school district. Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.

**SECTION 16. AMENDMENT.** Section 26.1-21-09 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-21-09. Premiums - Amount to whom paid - Minimum.** The premium for a blanket bond must be determined by the commissioner. Premiums must be paid in advance by the proper authority of the state, or of the political subdivision of the state, from its treasury, to the state treasurer who shall keep the same in the fund. The state treasurer shall issue receipts in triplicate. The treasurer shall file one of such receipts in the treasurer's office, and shall mail one to the official making such payment and one to the commissioner. The minimum premium for each bond must be two dollars and fifty cents per year. Payments must be made for one year or for such longer terms as the commissioner may prescribe. From and after July 1, 1953, the premiums referred to in



this section must be waived until the reserve fund of the state bonding fund has been depleted below the sum of two ~~and one-half~~ million dollars. The collection of premiums must be resumed on the bonds, at the rates ~~herein set forth~~ provided under this section, whenever the reserve fund is depleted below the sum of two ~~and one-half~~ million dollars. The premiums must continue to be collected until the reserve fund reaches a total of three million dollars, at which time all premiums must again be waived until the reserve fund has been depleted below the sum of two ~~and one-half~~ million dollars.

**SECTION 17. AMENDMENT.** Section 34-06-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**34-06-04.1. Compensatory time, overtime, and work-period claims.** The state or a political subdivision of the state may provide for compensatory time and for a work period for compensatory time and overtime calculation for its employees if the state or political subdivision complies with the requirements of the Fair Labor Standards Act of 1938, as amended, [Pub. L. 75-718; 52 Stat. 1060; 29 U.S.C. ~~206~~ 201 et seq. ] and any rules and interpretations adopted by the United States department of labor. The authority provided in this section applies in any proceeding brought after June 30, 2003, with respect to compensatory time or overtime earned regardless of when the work in question was performed.

**SECTION 18.** A new subsection to section 53-06.2-04 of the North Dakota Century Code is created and enacted as follows:

Reinstate race dates and issue a license under the certificate system to any racetrack in the state which was operational after December 31, 2000.

**SECTION 19. AMENDMENT.** Section 54-35-18 of the North Dakota Century Code is amended and reenacted as follows:

**54-35-18. (Effective through August 1, ~~2003~~2007) Electric industry competition - Need for study.** The legislative council shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state. The legislative assembly finds that the economy of this state depends on the availability of reliable, low cost, electric energy. There is a national trend toward competition in the generation, transmission, and distribution of electric energy and the legislative assembly acknowledges that this competition has both potential benefits and adverse impacts on this state's electric suppliers as well as on their shareholders and customers and the citizens of this state. The legislative assembly determines that it is in the best interests of the citizens of this state to study the effects of competition on the generation, transmission, and distribution of electric energy.

**SECTION 20. AMENDMENT.** Section 54-35-18.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-35-18.1. (Effective through August 1, ~~2003~~2007) Electric industry competition committee - Composition.**

1. The legislative council shall appoint a committee to study electric industry competition.
2. The committee shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state and on the state's electric suppliers.
3. As used in sections 54-35-18 through 54-35-18.2, "electric suppliers" means public utilities regulated under title 49, rural electric cooperatives organized under chapter 10-13, municipal electric utilities organized under chapters 40-33 and 40-33.2, and power marketers.
4. The committee consists of:
  - a. ~~Three or four~~ Six members of the house of representatives, ~~no more than two of whom may be from the same political party~~ four of whom must be from the majority political party and two of whom must be from the minority political party.
  - b. ~~Three or four~~ Six members of the senate, ~~no more than two of whom may be from the same political party~~ four of whom must be from the

majority political party and two of whom must be from the minority political party.

5. The chairman of the legislative council shall name one of the members as chairman.

**SECTION 21. AMENDMENT.** Section 54-35-18.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-35-18.2. (Effective through August 1, ~~2003~~2007) Electric industry competition committee - Study areas.** The electric industry competition committee shall study this state's electric industry competition and electric suppliers and shall report to the legislative council in the same manner as do other interim legislative council committees, concerning the following issues:

1. Financial issues, including:
  - a. The interests of residential customers, including:
    - (1) Fairness of rates, terms, and conditions of service for services chosen.
    - (2) Affordability of rates, bills, and services.
    - (3) Stability and predictability of rates and bills.
    - (4) Reliability and quality of power supply.
    - (5) Assurance that rates, terms, and conditions are nondiscriminatory.
    - (6) Ability of customers to understand potential energy choices.
    - (7) Importance of a fair dispute resolution process.
    - (8) Potential for rates to reflect the customer's desired level of energy reliability and availability.
  - b. The interests of small business customers, large business customers, shareholders, and other stakeholders, including:
    - (1) Fairness of rates, terms, and conditions of service for the services chosen by customers.
    - (2) Affordability of rates, bills, and services for customers.
    - (3) Stability and predictability of customers' rates and bills.
    - (4) Assurance that rates, terms, and conditions are nondiscriminatory for all customers.
    - (5) Ability of customers to understand potential energy choices and the implications of these choices.
    - (6) Importance of a fair dispute resolution process for customers.
    - (7) Potential for rates to reflect the customer's desired level of energy reliability and availability.
  - c. Financial integrity of and cost of capital to electric power suppliers.
  - d. Taxes paid by electric suppliers, including franchise taxes, excise taxes, income taxes, ad valorem taxes, in lieu taxes, and real and personal property taxes.
  - e. Tax implications to local governments.
  - f. Quantification and recovery of stranded investments by electric power suppliers, including those resulting from:

- (1) Customers who have a legal obligation to bear certain costs, who find a way to avoid those obligations, and who leave without paying costs incurred on the customer's behalf; and
  - (2) The costs of investments that exceed their value in the competitive market.
- g. Pricing of transmission and distribution services.
- h. Pricing and rate subsidies for all classes of customers.
- i. Unbundling of costs of services.
2. Legal issues, including:
  - a. State, tribal, and federal jurisdiction.
  - b. State statutory and regulatory constraints and oversight of the electric industry.
  - c. Those related to the federal energy regulatory commission.
  - d. Commerce clause constraints.
  - e. Review of existing state laws, rules, and constitutional provisions that affect the generation, transmission, and distribution of electric energy, including the need and appropriateness of regulatory reforms for services that will continue to be provided by a regulated utility.
  - f. Interstate reciprocity and the regional nature of the industry.
  - g. Continuing obligations of an electric supplier to serve customers.
  - h. Use and protection of proprietary information in a competitive market.
3. Social issues, including:
  - a. Planning and operation of electric suppliers, including integrated resource planning.
  - b. Efficiency and sufficiency of an aggregate supply of energy.
  - c. Environmental impacts.
  - d. Impact on the development and use of renewable resources.
  - e. Appropriate and proper method of recovery of the cost of social, low income, and noneconomic renewable energy programs in order to ensure that costs are fairly and equitably shared among all customers of electric energy.
4. Issues related to system planning, operation, and reliability, including:
  - a. Electric system reliability.
  - b. Provisions by which customers would be permitted to have a choice of generation providers.
  - c. Applicability of regulatory reliability criteria to nonutility market participants.
  - d. Form and requirements of contracts for the sale and purchase of electric energy.
  - e. Requirements for metering energy usage at the customer's location.
  - f. Designation and regulation of ancillary services.
5. Identification and review of potential market structures, including:

- a. Possible market structures for a deregulated generation market and transmission market and whether these structures should be mandated or allowed to form voluntarily.
  - b. Formation of market segments in response to customer requirements.
  - c. Impact on the investment stability of the electric utility industry.
  - d. Impact on multipurpose entities.
  - e. Potential to improve economic efficiency.
  - f. Size of the market and the extent to which its size impacts the level of benefits for customers or groups of customers.
  - g. Ability of participants with control over the electricity generation and transmission system to exercise market power over pricing or the need for controls to prevent the exercise of market power.
  - h. Controls or bans on corporate relationships between regulated utilities and emerging competitive sectors.
  - i. Barriers to achieving nondiscriminatory competition among electric suppliers, including review of federal and state tax issues, availability of federal subsidies to certain energy suppliers, application of federal laws that impose regulatory requirements on the electric utility industry, and jurisdiction of the federal energy regulatory commission over competitors.
  - j. Viability of all customers to participate in and benefit from a competitive electricity market, including:
    - (1) Risks and responsibilities that customers or classes of customers incur by participating in a competitive market.
    - (2) Costs of gathering, processing, and managing information on the price and quality of electricity.
    - (3) Benefits to customers or classes of customers from participation in a competitive electricity market.
6. Whether and to what extent power produced by the Garrison dam should be taxed by the state.
  7. The source and cost of power supplied to the state's Indian reservations.
  8. Other issues related to the generation, transmission, and distribution of electric energy.

**SECTION 22. AMENDMENT.** Subsection 2 of section 54-44.1-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.

**SECTION 23. AMENDMENT.** Section 54-44.1-12 of the North Dakota Century Code is amended and reenacted as follows:

**54-44.1-12. Control over rate of expenditures.** The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and

judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Any allotment must be made to the extent necessary to address any projected deficiency appropriations for agencies receiving moneys from the fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

1. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
2. The payment or the obligation incurred is not authorized by law.
3. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
  - a. Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and
  - b. Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.
4. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated.

**SECTION 24.** A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Required use of electronic mail, file and print server administration, data base administration, and application server and hosting services. Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the board of higher education, the public employees retirement system, the retirement and investment office, and the attorney general, which desires electronic mail, file and print server administration, data base administration, storage, and application server and hosting services shall obtain those services from the department. The chief information officer may exempt from the application of this section any agency that demonstrates its current services are more appropriate for the specific needs of that agency than the services available from the department.

**SECTION 25. AMENDMENT.** The new section to chapter 55-02 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2249, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

**Protection of public health and safety on sites having a public function.**

Notwithstanding any other provision of law, if the state or a political subdivision has a property interest in real property and that property has an existing public function in addition to any historical site registration or historical significance determination, the governing body of the agency or political subdivision owning the property interest may, subject to the following provisions, improve, alter, modify, or destroy that property if the agency or governing body determines that action is necessary to protect public health or safety, to provide access for disabled persons, or to ensure structural integrity. If an action is to be taken by an agency or governing body under this section, notice of intent to take the action must be given to the director at the onset of the planning process. At the director's request, the agency or governing body shall inform the director of each meeting at which planning or decisions on a project are on the agenda. At each meeting, the agency or governing body shall provide the director with an opportunity to comment or provide preservation funding for the proposed project and the agency or governing body shall consider the director's comments or offers of funding in the development and implementation of the project. If the agency or governing body and the director do not agree on the action to be taken, the differences must be submitted to

a mediator selected by the governor to facilitate a consensus between the parties. The cost of the mediator must be shared equally by the parties. The mediator shall issue a report within sixty days of appointment by the governor. The report of the mediator must be ~~sent to the director and must be published~~ once in the official newspaper of the ~~state and~~ political subdivision. Although the agency or governing body may take the action it deems necessary, the agency or governing body shall make all reasonable effort to preserve the historical characteristics of a site taking into consideration economic and technical feasibility. ~~The decision of the agency or governing body must be published~~ notify the director of its decision and must publish it once in the official newspaper of the ~~state and~~ political subdivision. After mediation, if any, if the governing body of a political subdivision determines to proceed with actions that will result in completely demolishing, removing, or significantly degrading the historical characteristics of a building or real property, a resident of the political subdivision where the building or real property is located may submit a written notice to the county auditor of intention to petition for a public vote. The notice must be filed with the county auditor within fourteen days of the publication of the decision of the governing body. A petition for a public vote must contain the names of at least ten percent of the qualified electors from that governing body's jurisdiction who voted in the last general election and must be filed with the county auditor within one hundred twenty days of the governing body's publication of notice of its final action. If a petition is filed, the matter must be submitted for a vote of the qualified electors at the next special, primary, or general election held in that jurisdiction. All actions to remove, demolish, or significantly degrade the historical characteristics of a building or real property are stayed for fourteen days after the governing body's publication of notice of its final action, and if notice of intention to seek a public vote is filed, actions are stayed until either the petition fails or the public vote is held. If the political subdivision is a home rule jurisdiction with its own referendum procedures, however, the home rule referendum procedures apply to the action of the governing body."

Page 4, line 8, overstrike "sixty-two" and insert immediately thereafter "seventy-one"

Page 4, line 10, overstrike "At the end of the 1995-97 biennium all revenue deposited in the"

Page 4, overstrike lines 11 through 13

Page 4, line 14, overstrike "permanent oil tax trust fund."

Page 4, line 19, overstrike "sixty-two" and insert immediately thereafter "seventy-one"

Page 4, remove lines 29 and 30

Page 5, remove lines 1 through 4

Page 5, replace lines 15 through 17 with:

**"SECTION 28. TRANSFER OF STATE AGENCY INFORMATION TECHNOLOGY EMPLOYEE POSITIONS - CONSOLIDATION OF INFORMATION TECHNOLOGY FUNCTIONS.** On November 1, 2003, the following number of authorized full-time equivalent employee positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, and application server and hosting services must be reduced and transferred from the named agencies to the information technology department, except as otherwise provided under this section or unless exempted by the chief information officer pursuant to section 24 of this Act:

AGENCY	FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
Office of management and budget	1
Tax department	2
Department of public instruction	1
State department of health	1
Department of human services	5
Job service North Dakota	3
Industrial commission	1
Bank of North Dakota	1
Housing finance agency	1
Workers compensation bureau	2
Highway patrol	1
Department of corrections and rehabilitation	2
Game and fish department	1

State water commission	1
Department of transportation	2

After consultation with the information technology department, each affected agency shall identify the specific positions for reduction and transfer. An agency may retain any of the identified positions providing that funding for the position is available from internal savings of the agency. The agency shall conduct any reduction-in-force analysis that may be required. Each agency shall limit its consideration to information technology related positions and shall identify for reduction and transfer those positions most closely associated with services assumed centrally by the information technology department.

The agencies shall retain funding relating to the employee positions identified in this section and related costs, which is contained in the agencies' respective appropriations bill. Each of the agencies shall establish an information technology services line item consisting of funding related to the salaries and wages for the identified employee positions and related funding for equipment, training, office rent, travel, contracted services, or other related costs totaling at least \$13,000 per employee for electronic mail, file and print server administration, data base administration, storage, and application server and hosting services. Agencies shall develop documentation supporting the related funding transferred to the information technology services line item. Any line item transfer must be reported to the office of management and budget. Each of the agencies must use the funding contained in the information technology services line item to purchase information technology services from the information technology department. Each of the agencies shall make arrangements with the information technology department for the transfer of equipment and material related to the transferred employee positions and services from the respective agency to the department. The information technology department is authorized to receive any funding relating to the purchase of information technology services under this section, which is hereby appropriated. Each agency is entitled to receive from the information technology department the equivalent in services that would have been performed by employees in the transferred positions at a cost not exceeding the amounts transferred to the agency's information technology services line item.

The information technology department shall determine the number of full-time equivalent positions necessary to provide the related information technology functions to state agencies. The department is authorized to employ the number of necessary employees and require all persons interested in filling the employee positions to apply with the department. In filling the employee positions, the department shall give preference to current state employees working in information technology. The department may make arrangements with the agency from which an employee was transferred to transfer any leave accrued by that employee.

In furtherance of the consolidation of information technology functions under this section, the supreme court and the attorney general shall continue to collaborate with the information technology department to implement the criminal justice information sharing program.

**SECTION 29. INFORMATION TECHNOLOGY FUNCTION CONSOLIDATION - ACCUMULATED SAVINGS - TRANSFER TO THE GENERAL FUND.** The information technology department shall achieve efficiencies during the biennium beginning July 1, 2003, and ending June 30, 2005, relating to the required consolidation of information technology functions, including electronic mail, file and print server administration, data base administration, storage, and application server and hosting services. The information technology department through efficiencies resulting from this consolidation shall achieve accumulated net savings totaling \$1,400,000 for the 2003-05 biennium. The director of the office of management and budget shall transfer the savings accumulated as a result of these efficiencies in the amount of \$1,400,000 to the general fund by June 30, 2005.

**SECTION 30. INFORMATION TECHNOLOGY SERVICE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE AND THE BUDGET SECTION.** The information technology department shall document information relating to the delivery of the consolidated services to agencies, including service dependability, agency complaints, and information technology department responsiveness, and shall report that information and the status of the accumulated savings to the information technology committee and the budget section as requested. Any agency receiving consolidated services may provide information to the information technology committee with respect to service availability, service dependability, complaints of the agency or of persons receiving services from the agency or the department, department

responsiveness, and any additional costs incurred by the agency as a result of the consolidated services.

**SECTION 31. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the legislative council for the purpose of upgrading sound systems in the house and senate chambers, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 32. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$45,000, or so much of the sum as may be necessary, to the department of agriculture for the purpose of agriculture in the classroom, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 33. 2005-07 EXECUTIVE BUDGET - STUDENT LOAN TRUST FUND.** Any proposal to transfer or spend moneys from the student loan trust fund included as part of the 2005-07 biennium executive budget must be included in a separate bill introduced for consideration by the fifty-ninth legislative assembly.

**SECTION 34. STATE AGENCY CONTINUING APPROPRIATIONS - REPORTS TO FIFTY-NINTH LEGISLATIVE ASSEMBLY.** The head of each executive branch agency or institution shall report during the budget presentation to the appropriations committees of the fifty-ninth legislative assembly on statutory provisions authorizing the agency or institution to spend funds pursuant to a continuing appropriation. The summary report must include justification for continuing the authority, expenditures made pursuant to the continuing appropriation and related revenues and fund balances for the 1999-2001 biennium, the 2001-03 biennium, the 2003-05 biennium to date, and projections for the 2005-07 biennium.

**SECTION 35. CERTAIN APPROPRIATION BILLS - EXECUTIVE BUDGET RECOMMENDATION.** Notwithstanding North Dakota Century Code section 54-44.1-06, the legislative council shall submit for introduction to the fifty-ninth legislative assembly the 2005-07 appropriation bills for the department of public instruction, department of corrections and rehabilitation, state treasurer, and secretary of state based on the same funding amounts, line items, and employee levels authorized by the fifty-eighth legislative assembly for the 2003-05 biennium. Any budget changes recommended by the office of the budget for these departments for the 2005-07 biennium must be presented to the appropriations committees of the fifty-ninth legislative assembly as a recommendation for amendment to the bill as introduced.

**SECTION 36. STATE EMPLOYEE REDUCTIONS - BUDGET SECTION REPORT.** The number of full-time equivalent state employees must be reduced by employee retirements, employee turnover, and vacant employee positions during the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Executive branch agencies and the office of the governor, excluding other offices of state elected officials and higher education	155
State elected officials, excluding the governor	13
Judicial branch	8

One-half of this total reduction must be accomplished by December 31, 2003. The additional reductions must be accomplished by December 31, 2004. Agencies shall report employee positions eliminated and related salary and wages and fringe benefit savings for the remainder of the 2003-05 biennium to the office of management and budget. The office of management and budget shall reduce each respective agency's appropriation authority by the amount of reported agency budgetary savings. The office of management and budget shall provide periodic reports on the employee positions eliminated by agencies and reported agency budgetary savings to the budget section of the legislative council.

**SECTION 37. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE COMPENSATION POOLS.** The office of management and budget shall establish a state employee compensation pool for executive branch agencies other than elected officials as provided in section 36 of this Act from agency savings resulting from employee reductions, a state employee compensation pool for state elected officials from those agency savings resulting from employee reductions, and a state employee compensation pool for the judicial branch from agency savings resulting from employee reductions.



**SECTION 38. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS - APPROPRIATION - REPORT TO THE BUDGET SECTION.** By January 1, 2004, the office of management and budget shall allocate any available funds to entities in the executive branch agency state employee compensation pool and the state elected official employee compensation pool established in section 37 of this Act for providing state employee compensation adjustments effective January 1, 2004, to be paid in February 2004. The funds must be allocated on a pro rata basis for remaining employee positions. The office of management and budget shall increase agencies' appropriation authority by the amount of funding allocated and the funds are appropriated to the agencies for the purpose of providing state employee compensation adjustments for the period January 1, 2004, through June 30, 2005. The funds in the judicial branch state employee compensation pool established in section 37 of this Act are appropriated to the judicial branch for providing state employee compensation adjustments for the period January 1, 2004, through June 30, 2005. It is the intent of the fifty-eighth legislative assembly that the compensation adjustments effective January 1, 2004, to be paid in February 2004, may not exceed increases of one percent. The office of management and budget and the judicial branch shall provide a report on the state employee compensation pool allocations to the budget section of the legislative council.

**SECTION 39. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS - APPROPRIATION - REPORT TO THE BUDGET SECTION.** By January 1, 2005, the office of management and budget shall allocate any available funds resulting from savings related to the employee reductions to be accomplished by December 31, 2004, to entities in the executive branch agency state employee compensation pool and the state elected official state employee compensation pool established in section 37 of this Act for providing state employee compensation adjustments effective January 1, 2005, to be paid in February 2005. The funds must be allocated on a pro rata basis for remaining employee positions. The office of management and budget shall increase agencies' appropriation authority by the amount of funding allocated and the funds are appropriated to the agencies for the purpose of providing state employee compensation adjustments for the period January 1, 2005, through June 30, 2005. The funds in the judicial branch state employee compensation pool established in section 37 of this Act are appropriated to the judicial branch for providing state employee compensation adjustments for the period January 1, 2005, through June 30, 2005. It is the intent of the fifty-eighth legislative assembly that the compensation adjustments effective January 1, 2005, to be paid February 1, 2005, may not exceed increases of two percent. The office of management and budget and the judicial branch shall provide a report on the state employee compensation pool allocations to the budget section of the legislative council.

**SECTION 40. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2003 - LEGISLATIVE ASSEMBLY.** Notwithstanding the \$650 per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the fifty-eighth legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the fifty-eighth legislative assembly is in session during the month of April 2003.

**SECTION 41. LEGISLATIVE COUNCIL STUDY - PUBLIC EMPLOYEE HEALTH INSURANCE BENEFITS.** The legislative council shall consider studying, during the 2003-05 interim, public employee health insurance benefits, including options for providing health insurance for state employees, the availability of other health insurance plans, single versus family coverage, employee contributions, and unitization of premium rates for budgeting purposes. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 42. SPECIFIED EXEMPT COMMODITIES AND SERVICES - REPORT TO THE BUDGET SECTION.** The director of the office of management and budget shall report to the budget section in December of even-numbered years on specified commodities and services exempted by written directive of the director from the procurement requirements of chapter 54-44.4.

**SECTION 43. EXEMPTION.** The funds appropriated in the grants line item in section 1 of chapter 44 of the 2001 Session Laws are not subject to section 54-44.1-11 in an amount of up to \$850,000 and any unexpended funds from this amount may be spent during the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 44. LEGISLATIVE INTENT - PRAIRIE PUBLIC BROADCASTING.**

It is the intent of the fifty-eighth legislative assembly that prairie public broadcasting funding be included in the executive budget as a separate line item in the office of management and budget's budget request for the 2005-07 biennium.

**SECTION 45.** Section 18 of House Bill No. 1414, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

**SECTION 18. EMERGENCY.** This Act is declared to be an emergency measure.

**SECTION 46.** Section 9 of House Bill No. 1012, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

**SECTION 9. EMERGENCY.** Subdivision f of subsection 1 of section 39-09-02 as amended by section 6 of this Act is declared to be an emergency measure.

**SECTION 47.** Section 16 of House Bill No. 1015, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

**SECTION 16. EMERGENCY.** Subdivision 3 of section 1 and sections 12 and 13 are declared to be an emergency measure.

**SECTION 48.** Section 2 of Senate Bill No. 2176, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

**SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**SECTION 49. TAX COMMISSIONER - TAX AMNESTY PROGRAM.** The state tax commissioner shall conduct a one-time tax amnesty program for all state tax types beginning before December 31, 2003.

**SECTION 50. EXPIRATION DATE.** Section 18 of this Act is effective through December 31, 2004, and after that date is ineffective.

**SECTION 51. EMERGENCY.** Sections 18, 40, 43, 45, 46, 47, 48, and 49 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2015 - Summary of House Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	\$27,826,739	\$27,778,694	(\$149,707)	\$27,628,987	\$27,873,847	(\$244,860)
Less estimated income	7,918,764	7,891,748	(3,272)	7,888,476	7,888,476	
General fund	\$19,907,975	\$19,886,946	(\$146,435)	\$19,740,511	\$19,985,371	(\$244,860)
Legislative Council - System upgrade and study						
Total all funds	\$0	\$0	\$30,000	\$30,000	\$380,000	(\$350,000)
Less estimated income						
General fund	\$0	\$0	\$30,000	\$30,000	\$380,000	(\$350,000)
Department of Agriculture						
Total all funds	\$0	\$0	\$45,000	\$45,000	\$0	\$45,000
Less estimated income						
General fund	\$0	\$0	\$45,000	\$45,000	\$0	\$45,000
All agencies - Contingent salary increases						
Total all funds	\$0	\$0	\$0	\$0	\$8,460,097	(\$8,460,097)
Less estimated income					4,125,075	(4,125,075)
General fund	\$0	\$0	\$0	\$0	\$4,335,022	(\$4,335,022)
Bill Total						
Total all funds	\$27,826,739	\$27,778,694	(\$74,707)	\$27,703,987	\$36,713,944	(\$9,009,957)
Less estimated income	7,918,764	7,891,748	(3,272)	7,888,476	12,013,551	(4,125,075)
General fund	\$19,907,975	\$19,886,946	(\$71,435)	\$19,815,511	\$24,700,393	(\$4,884,882)

**Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$15,549,754	\$15,404,949	(\$16,718)	\$15,388,231	\$15,388,231	
Operating expenses	11,364,985	11,461,745	(132,989)	11,328,756	10,573,616	\$755,140
Capital assets	733,000	733,000		733,000	733,000	
Grants	179,000	179,000		179,000	179,000	
Technology critical needs pool					1,000,000	(1,000,000)
Total all funds	\$27,826,739	\$27,778,694	(\$149,707)	\$27,628,987	\$27,873,847	(\$244,860)
Less estimated income	<u>7,918,764</u>	<u>7,891,748</u>	<u>(3,272)</u>	<u>7,888,476</u>	<u>7,888,476</u>	
General fund	\$19,907,975	\$19,886,946	(\$146,435)	\$19,740,511	\$19,985,371	(\$244,860)
FTE	162.00	162.00	0.00	162.00	162.00	0.00

#### Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$16,718)		(\$16,718)
Operating expenses		(\$132,989)	(132,989)
Capital assets			
Grants			
Technology critical needs pool			
Total all funds	(\$16,718)	(\$132,989)	(\$149,707)
Less estimated income	<u>(3,272)</u>		<u>(3,272)</u>
General fund	(\$13,446)	(\$132,989)	(\$146,435)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$132,989 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent, adjusted for salaries included in the information technology plan.

Section 5 - The House amendment reduces the 2003-05 biennium transfer from the lands and minerals trust fund to the general fund from \$3 million to \$2 million and limits the transfer from the permanent oil tax trust fund to the general fund to \$11,910,000. The Conference Committee agreed to this amendment, increased the transfer from the bonding fund to \$2,800,000, and increased the cap on oil revenues to \$71,000,000.

Section 10 - The House removed the section in the bill providing for a contingent transfer of up to \$25 million of earnings and accumulated and undivided profits of the Bank of North Dakota to the general fund if general fund revenue collections will not meet revenues as forecasted in the March 2003 legislative forecast for the 2003-05 biennium. The Conference Committee reinstated this section; however, it decreased the contingent transfer to \$9 million.

Section 13 - The Conference Committee added a section providing for contracts for the preparation and provision of meals by institutions of higher education.

Section 14 - The Conference Committee added a section relating to legislative membership on the Medical Center Advisory Council.

Section 15 - The Conference Committee added a section relating to forwarding payments from the state tuition fund made on behalf of the student to the student's chosen school district.

Section 16 - A section is added reducing the reserve amount in the bonding fund from \$2.5 million to \$2 million.

Section 17 - The Conference Committee added a section amending Section 34-06-01 relating to overtime and work-period claims.

Section 18 - The Conference Committee provided that until December 31, 2004, the Racing Commission reinstate race dates and issue a license to any racetrack in the state which was operational after December 31, 2000.

Sections 19, 20, 21 - The House changed the membership and continued the Electric Industry Competition Committee through August 1, 2007. The Conference Committee agreed to this amendment.

Section 22 - The House amended North Dakota Century Code (NDCC) Section 54-44.1-06 to provide for the budget data presented by the director of the budget to include in the general fund budget status any deficiency appropriation relating to general fund expenditures for the current biennium. The Conference Committee agreed to this amendment.

Section 23 - The House amended NDCC Section 54-44.1-12 to provide that any allotment ordered by the Governor must be made to the extent necessary to address any projected deficiency appropriations for agencies receiving moneys from the fund. The Conference Committee agreed to this amendment.

Sections 24, 28, 29, 30 - The House added sections providing for the establishment of an information technology advisory committee, to provide for an information technology consolidation study, to provide for consolidation of information technology positions and functions, and to recognize general fund revenue related to accumulated information technology savings of \$4 million from the Information Technology Department and \$2 million from the North Dakota University System to be transferred to the general fund. The Conference Committee version provides for a transfer of \$1.4 million from the Information Technology Department to the general fund from realized efficiencies from consolidation, provides for reports to the Budget Section on consolidation, and defines services to be provided by the Information Technology Department.

The Conference Committee added language to the section on the consolidation of information technology positions, providing for each affected state agency to identify the information technology positions to be transferred, after consultation with the Information Technology Department, based on the services to be assumed centrally by the Information Technology Department. In addition, as part of the functional consolidation effort, the Supreme Court and the Attorney General's office will continue to collaborate with the Information Technology Department to implement the criminal justice information sharing program.

Section 25 - The Conference Committee added a section requiring the report of the mediator relating to historical significance determinations be published in the state newspaper and the notice of the decision be given directly to the director of the State Historical Society.

Section 26 - The House amended NDCC Section 57-51.1-07.2 to provide that at the end of any biennium oil and gas production and extraction tax collections during any biennium in excess of \$66,641,000, rather than \$62 million, be transferred from the general fund to the permanent oil tax trust fund. This amendment would be effective starting with the 2003-05 biennium. The Conference Committee increased the amount at which funding is transferred to the permanent oil tax trust fund to \$71,000,000.

Section 31 - The House provided a \$30,000 general fund appropriation to the Legislative Council for upgrading the sound systems in the House and Senate chambers. The Conference Committee agreed to this amendment.

Section 32 - The Conference Committee provided an appropriation of \$45,000 from the general fund to the Department of Agriculture for the agriculture in the classroom program.

Section 33 - The House added a section requiring the Governor to submit any proposal to spend or transfer moneys from the student loan trust fund included as part of the 2005-07 biennium budget in a separate bill. The Conference Committee agreed to this amendment.

Section 34 - The House added a section requiring executive branch agencies to report to the Appropriations Committees during the 2005 legislative session regarding expenditures made pursuant to continuing appropriations and justification for needing the continuing appropriation authority. The Conference Committee agreed to this amendment.

Section 35 - The House provided that the 2005-07 budgets for four agencies--the Department of Public Instruction, Department of Corrections and Rehabilitation, State Treasurer, and Secretary of State--be prepared based on the 2003-05 biennium budget as approved by the Legislative Assembly. The Conference Committee agreed to this amendment.

Sections 36, 37, 38, 39 - The House added sections providing for a reduction of 176.6 FTE positions during the 2003-05 biennium and providing for contingent state employee salary increases of 1 percent in January 2004 and 2 percent in January 2005. The Conference Committee provided for the establishment of employee compensation pools resulting from savings from employee reductions, and funding of state employee salary increases from the pool contingent on a reduction of 176 FTE positions.

Section 40 - The Conference Committee added a section providing for additional lodging reimbursement for members of the Legislative Assembly who incur expenses greater than \$650 during the month of April 2003.

Section 41 - The House added a section for a Legislative Council study of public employee health insurance benefits. The Conference Committee agreed to this amendment.

Section 42 - The House added a section for a report to the Budget Section on specified exempt commodities and services relating to procurement requirements in NDCC Chapter 54-44.4. The Conference Committee agreed to this amendment.

Section 43 - A section is added allowing the Department of Commerce to carry over up to \$850,000 of its 2001-03 biennium grants appropriation.

The Conference Committee reinstated funding of \$120,000 for a lobbyist in Washington, D.C.

The Conference Committee removed the section from Engrossed House Bill No. 2015, which prohibited bonuses or temporary salary adjustments to state employees for extra working hours incurred as a result of the legislative session.

Section 44 - The Conference Committee added a section of intent that the 2005-07 executive budget provide for the funding for Prairie Public Broadcasting as a separate line item in the Office of Management and Budget's budget request.

Section 45 - The Conference Committee added a section providing an emergency clause for House Bill No. 1414, relating to infectious disease outbreaks and the ability for the State Department of Health to provide for quarantines.

Section 46 - The Conference Committee added a section providing an emergency clause for House Bill No. 1012, relating to the speed limit on paved two-lane county and township highways.

Section 47 - The Conference Committee added a section providing for an emergency clause for subdivision 3 of Section 1 and Sections 12 and 13 of House Bill No. 1015, relating to the partnership in assisting community expansion fund, the agriculture partnership in assisting community expansion fund, and the beginning farmer loan fund.

Section 48 - The Conference Committee added a section providing for an emergency clause for Senate Bill No. 2176, relating to participation by retired political subdivision employees in the uniform group insurance program.

Section 49 - The Conference Committee provided for the Tax Commissioner to conduct a one-time tax amnesty program beginning before December 31, 2003. The authorizing language is intended to grant the Tax Commissioner discretionary authority to implement the program.

#### Senate Bill No. 2015 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			\$30,000	\$30,000	\$380,000	(\$350,000)
Total all funds	\$0	\$0	\$30,000	\$30,000	\$380,000	(\$350,000)
Less estimated income						
General fund	\$0	\$0	\$30,000	\$30,000	\$380,000	(\$350,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

#### Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR UPGRADING SOUND SYSTEMS <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	\$30,000	\$30,000
Total all funds	\$30,000	\$30,000
Less estimated income		
General fund	\$30,000	\$30,000
FTE	0.00	0.00

<sup>1</sup> This amendment adds a section to the bill providing a \$30,000 general fund appropriation to the Legislative Council for upgrading the sound systems in the House and Senate chambers.

### Senate Bill No. 2015 - Department of Agriculture - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Agriculture in the classroom			\$45,000	\$45,000		\$45,000
Total all funds	\$0	\$0	\$45,000	\$45,000	\$0	\$45,000
Less estimated income						
General fund	\$0	\$0	\$45,000	\$45,000	\$0	\$45,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Dept. 602 - Department of Agriculture - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR AGRICULTURE IN THE CLASSROOM 1	TOTAL CONFERENCE COMMITTEE CHANGES
Agriculture in the classroom	\$45,000	\$45,000
Total all funds	\$45,000	\$45,000
Less estimated income		
General fund	\$45,000	\$45,000
FTE	0.00	0.00

<sup>1</sup> This amendment adds a section to the bill providing a \$45,000 general fund appropriation to the Department of Agriculture for agriculture in the classroom.

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

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

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

### SECOND READING OF SENATE BILL

**SB 2015:** A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide for various transfers and financial transactions; to provide exemptions from section 54-44.1-11 of the North Dakota Century Code; to create and enact a new section to chapter 15-10, a new subsection to section 53-06.2-04, and a new section to chapter 54-59 of the North Dakota Century Code, relating to contracts for the provision of meals by institutions of higher education, the duties of the racing commission, and required information technology services from the information technology department; to create and enact section 18 of House Bill No. 1414, section 9 of House Bill No. 1012, section 16 of House Bill No. 1015, and section 2 of Senate Bill No. 2176 as approved by the fifty-eighth legislative assembly, relating to reporting disease outbreaks and quarantine of individuals and declaring that Act an emergency measure, to the speed limit on paved two-lane county and township highways and declaring that Act an emergency measure, to the partnership in assisting community expansion fund, the agriculture partnership in assisting community expansion fund, and the beginning farmer loan fund and declaring that Act an emergency measure, and to participation by retired political subdivision employees in the uniform group insurance program and declaring that Act an emergency measure; to amend and reenact sections 15-52-03, 15.1-31-07, 26.1-21-09, 34-06-04.1, 54-35-18, 54-35-18.1, and 54-35-18.2, subsection 2 of section 54-44.1-06, section 54-44.1-12, the new section to chapter 55-02 as created by section 2 of Senate Bill No. 2249 as approved by the fifty-eighth legislative assembly, and section 57-51.1-07.2 of the North Dakota Century Code, relating to tuition apportionment payments, the membership of the medical center advisory council, the reserve amount in the bonding fund, overtime or work-period claims, the expiration date and membership of the electric industry competition committee, preparation of budget data, budget allotments, the powers of the state historical board, and payments into the permanent oil tax trust fund; to provide statements of legislative intent; to require reports to the legislative assembly; to provide

an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of certain appropriation bills; to provide for reports to the budget section; to provide for a legislative council study; to provide for additional lodging reimbursement for members of the legislative assembly; to provide for state employee reductions and compensation pools; to provide for the transfer of state agency information technology positions; to provide an appropriation; to provide for a tax amnesty program; to provide an expiration date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 11 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nething; Nichols; Polovitz; Robinson; Schobinger; Stenehjerm; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Bercier; Christenson; Every; Fairfield; Heitkamp; Krauter; Mathern; Nelson; O'Connell; Seymour; Tallackson

Reengrossed SB 2015 passed, the title was agreed to, and the emergency clause was declared carried.

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#### MOTION

**SEN. CHRISTMANN MOVED** that SB 2015 be messaged to the House immediately, which motion prevailed.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

#### MOTION

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

**PRESIDENT PRO TEM TRAYNOR APPOINTED** as such committee, Sens. Tollefson, Andrist, and Nichols.

#### MOTION

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

**PRESIDENT PRO TEM TRAYNOR APPOINTED** as such committee, Sens. Klein, Kilzer, and Taylor.

#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate stand at ease, which motion prevailed.

**THE SENATE RECONVENED**, with President Pro Tem Traynor presiding.

#### REQUEST

**SEN. TOLLEFSON REQUESTED** that the committee appointed to notify the House that the Senate has completed its business and is about to adjourn be discharged, as it had completed its task, which request was granted.

#### REQUEST

**SEN. KLEIN REQUESTED** that the committee appointed to notify the Governor that the Senate has completed its business and is about to adjourn be discharged, as it had completed its task, which request was granted.

**REMARKS OF MAJORITY LEADER STENEHJEM**

I would like to start out by thanking all of you for such a successful session. Everyone has put in a great deal of hard work, and I would like you to know that I appreciate it, but more importantly, the people of North Dakota appreciate it.

I would especially like to recognize all of the dedicated legislative employees for their long hours and professionalism throughout this session: Legislative Council Staff, Front Desk Staff, Sergeant-at-Arms Staff, Pages, Committee Clerks, and Office Staff. The hard work of all of these people who support us through the session is what keeps things running smoothly and allows us to complete the business of the people of North Dakota.

I would like to give special recognition to the excellent work and leadership of Senator Randy Christmann, Assistant Majority Leader; Senator Mutch, Dean of the Senate; and also commend our presiding officers, Lieutenant Governor Jack Dalrymple, President of the Senate; and Senator Jack Traynor, President Pro Tempore.

Sometimes after a long day of work here, or a heated floor session, it is easy to forget what an honor it is to be involved in the process of government, but when we are leaving here we should all take a moment to realize that this session is now history, a history that we were all a part of.

We accomplished many great things this session. Even though our state and our nation are experiencing difficult times right now, we have many things to feel good about. As North Dakotans have always done, we are taking care of those who need it in our communities, educating our youth, and taking care of the elderly and disabled. We have worked to make our government more efficient and responsive; passed tough laws to crack down on the drugs that decay our neighborhoods from the inside out. Most importantly, we have done all of this without putting further strain on our hardworking families to feed the endless appetite of government.

This session, leadership from both the House and the Senate, and from both parties, have come together on many pieces of legislation that are important to the people of North Dakota, rising above the fray of partisan wrangling. Some would call this a great accomplishment, but really it is just common sense. Some of us are Republicans and some of us are Democrats, but when we walk out of this building we are all North Dakotans.

My door has been open throughout this entire session to anyone who wished to share thoughts, ideas, or concerns. I would like to emphasize that I sincerely appreciate the fact that my counterpart Senator O'Connell has also had his door open to me in the same manner. Although we don't always agree, we have worked together very well and even surprised some people from time to time.

There are many extra duties and responsibilities of this position, but I learned early on that power and clout do not always follow. SB 2110 was heard on the fourth legislative day. After a good debate the vote was taken and the two lone names in red on the board were Senator O'Connell's and mine. I waited to see if some of the other votes would switch, but the key was closed and the vote stood. I wasn't sure what to be more concerned about, the fact that neither caucus voted with their leader, or that I voted the same as Senator O'Connell.

Now it is time for us to go back home to our families, our jobs, and our communities to live with the laws we have put into place. As we go home, I challenge each of you to put partisan differences aside, and tell everyone about the great accomplishments we were all part of during this Fifty-eighth Legislative Session.

Serving as Majority Leader of this Senate has been one of the greatest honors of my lifetime. As we conclude this session, I sincerely thank my caucus for their confidence and support throughout the session. I would like to wish everyone a safe trip home, and I look forward to working with all of you in the future.

**MOTION**

**SEN. STENEHJEM MOVED** that the remarks of Majority Leader Bob Stenehjem be printed in the Journal, which motion prevailed.

**REMARKS OF MINORITY LEADER O'CONNELL**

Mr. President: The Majority Leader and I had good times and tough times and I want to thank you, too, and everyone at the front desk for being such an outstanding staff. Also the caucus. You know, when you are in the majority, you have the votes to do what you want, but you have been fair this time. We have been able to sit down, talk things out, work things out. Hopefully it will turn out to be the best for North Dakota.



I especially want to thank my caucus for the privilege of being your leader. As we know, they are all leaders. I just kind of direct them once in a while. They are leaders; they are a lot smarter in a lot of fields. We use their knowledge. I hope it works out for the best because I'm proud of every one of you. Every one of you has a special talent and I'm honored to be your leader.

Senator Stenehjem and I are going on a fishing trip some time. I was invited to go fishing with him; I don't swim very well so I don't know just when that's going to be.

I think there is one part of this building that all of us take for granted and I jokingly said "that's my exercise program". Thank God the cafeteria is far down the hall because that is my limited exercise program, walking downstairs and back. That's how I have been able to stay in shape. They do an excellent job for us. The Doctor of the Day, the maintenance people, there are just so many people to thank. I have a great staff behind me; you have a great staff too, Senator Stenehjem. I just want to thank the good Lord and all of you for being able to do this. Thank you.

#### **MOTION**

**SEN. EVERY MOVED** that the remarks of Minority Leader Dave O'Connell be printed in the Journal, which motion prevailed.

#### **MOTION**

**SEN. STENEHJEM MOVED** that the absent member be excused, which motion prevailed.

#### **MOTION**

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

#### **MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

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

#### **MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: SB 2015.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 25, 2003: SB 2001, SB 2002, SB 2003, SB 2004, SB 2005, SB 2006, SB 2007, SB 2008, SB 2009, SB 2010, SB 2011, SB 2012, SB 2013, SB 2015, SB 2016, SB 2017, SB 2019, SB 2020, SB 2021, SB 2022, SB 2023, SB 2030, SB 2154, SB 2232, SB 2285, SB 2311, SB 2335, SB 2416.

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

**WILLIAM R. HORTON, Secretary**

