

JOURNAL OF THE HOUSE

Fifty-sixth Legislative Assembly

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Bismarck, April 6, 1999

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

The prayer was offered by Father Dan Maloney, Annunciation Priory, Bismarck.

The roll was called and all members were present except Representative Carlisle and Huether.

A quorum was declared by the Speaker.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval on April 5, 1999: HB 1018, HB 1025, HB 1039, HB 1052, HB 1067, HB 1081, HB 1091, HB 1150, HB 1152, HB 1176, HB 1178, HB 1196, HB 1227, HB 1229, HB 1243, HB 1294, HB 1382, HB 1383, HB 1396, HB 1399, HB 1403.

THE HOUSE RECOGNIZED THE PRESENCE OF:

Former Representative Hank Weber

ANNOUNCEMENT

THE SPEAKER ANNOUNCED that Rep. Nichols would replace Rep. Aarsvold on the Conference Committee on HB 1020.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has appointed Rep. Nichols to replace Rep. Aarsvold on the Conference Committee on HB 1020.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. NICHOLAS MOVED that the House do not concur in the Senate amendments to HB 1276 as printed on HJ pages 1070-1071 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1276: Reps. Renner, Rennerfeldt, Froelich.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DALRYMPLE MOVED that the House do not concur in the Senate amendments to Reengrossed HB 1443 as printed on HJ pages 1143-1147 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Reengrossed HB 1443: Reps. Poolman, Carlisle, Hoffner.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointment to a Conference Committee on SB 2440: Reps. Kempenich, Sveen, Mahoney.

REPORT OF CONFERENCE COMMITTEE

REP. D. JOHNSON MOVED that the conference committee report on HB 1035 as printed on HJ page 1207 be adopted, which motion prevailed.

Engrossed HB 1035 was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1035: A BILL for an Act to amend and reenact section 11-10-10.5, subsection 1 of section 12.1-05-05, sections 15-20.2-04, 15-36-12, 15-41-25, 15-47-42, subsection 1 of section 15-47-46, section 15-59.2-02, subsection 5 of section 40-01.1-04, subsection 1 of section 54-07-01.2, and subsection 4 of section 57-39.2-04 of the North Dakota Century Code, relating to cross references to statutes in the education title.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

ABSENT AND NOT VOTING: Carlisle; Huether

Engrossed HB 1035 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2300, SB 2327.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently failed to pass: HB 1075.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1093, HB 1151, HB 1174, HB 1310.

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

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1307.

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

MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1014: Sens. Andrist; Nething; Robinson
HB 1016: Sens. Nething; Kringstad; Robinson
HB 1017: Sens. Holmberg; Grindberg; Tallackson
HB 1020: Sens. Holmberg; Grindberg; Tallackson
HB 1021: Sens. Solberg; Bowman; Tomac
HB 1022: Sens. St. Aubyn; Nething; Robinson
HB 1038: Sens. Kilzer; Thane; DeMers

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

MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1121: Sens. Fischer; Lee; Mutzenberger
HB 1156: Sens. Klein; Sand; Kroeplin
HB 1274: Sens. Cook; Flakoll; O'Connell
HB 1428: Sens. Wanzek; Urlacher; Kinnoin
HB 1490: Sens. Cook; Freborg; O'Connell

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1019.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

In lieu of the amendments adopted by the Senate as printed on pages 1067 through 1070 of the Senate Journal, Engrossed House Bill No. 1019 is amended as follows:

Page 1, line 3, after the second semicolon insert "to authorize a mutual fund capital pool;", after "sections" insert "4-14.1-03.1,", and after "4-14.1-07" insert a comma

Page 1, line 4, after "to" insert "grant repayments and"

Page 1, line 5, after "purposes" insert "; to provide for a legislative council study; to provide legislative intent"

Page 1, line 13, replace "2,358,086" with "2,798,086"

Page 1, line 14, replace "2,008,447" with "2,158,447"

Page 1, line 15, replace "66,358" with "96,358"

Page 1, line 16, replace "1,078,061" with "2,308,061"

Page 1, remove line 17

Page 1, line 18, replace "800,000" with "550,000"

Page 1, line 19, replace "3,985,911" with "4,535,911"

Page 1, line 20, replace "10,896,863" with "12,446,863"

Page 1, line 21, replace "3,693,075" with "4,293,075"

Page 1, line 22, replace "7,203,788" with "8,153,788"

Page 1, after line 22, insert:

"SECTION 2. APPROPRIATION. There is hereby appropriated out of any moneys in the agricultural fuel tax fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the agricultural products utilization commission for the purpose of obtaining assistance in resolving beef industry trade issues, for the biennium beginning July 1, 1999, and ending June 30, 2001. Notwithstanding any other provisions of law, the agricultural products utilization commission may use these funds to obtain the assistance of the ranchers and cattlemen action legal foundation."

Page 2, line 10, replace "\$1,507,000" with "\$2,207,000"

Page 2, line 12, replace "\$1,500,000" with "\$2,200,000"

Page 2, line 16, replace "forty" with "ten", after "gallon" insert "of up to 5,000,000 gallons, seven cents for each gallon from 5,000,001 to 10,000,000 gallons, and five cents for each gallon from 10,000,001 to 15,000,000 gallons", and after "produced" insert "each fiscal year"

Page 3, line 10, replace "\$1,500,000" with "\$2,200,000"

Page 3, line 11, replace "\$750,000" with "\$1,100,000"

Page 3, line 16, replace "\$800,000" with "\$550,000"

Page 4, after line 6, insert:

"SECTION 10. AMENDMENT. Section 4-14.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03.1. Agricultural products utilization commission - Authority. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program. The commission may require, by contract, repayment of a grant, in whole or in part, if the grant recipient does not fulfill the conditions under which the grant was awarded."

Page 4, line 12, overstrike "1."

Page 4, line 14, replace "seven" with "twelve"

Page 4, overstrike lines 19 through 27

Page 4, after line 27, insert:

"SECTION 12. MUTUAL FUND CAPITAL POOL - AUTHORIZATION. The department of economic development and finance, in conjunction with the agricultural products utilization commission, may establish a mutual fund capital pool to attract farm and nonfarm investments in value-added processing projects."

Page 5, after line 16, insert:

"SECTION 14. CONTINGENT ETHANOL INCENTIVE PAYMENTS. In addition to the ethanol incentive payments provided in section 1 of this Act and notwithstanding any other sections of law, there is hereby appropriated \$300,000, or so much of the sum as may be necessary, from the highway tax distribution fund for the biennium beginning July 1, 1999, and ending June 30, 2001, for the purpose of providing production incentives to any ethanol plant that becomes operational after July 1, 1999. An eligible plant is entitled to receive ten cents for each gallon of agriculturally derived fuel as defined in this Act produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota.

SECTION 15. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT AND FINANCE EFFORTS. The legislative council shall consider studying during the 1999-2000 interim the economic development efforts in the state, including the provision of economic development services statewide and the related effectiveness, the potential for the privatization of the department of economic development and finance, and the appropriate location of the North Dakota development fund, including the potential transfer of the fund to the Bank of North Dakota.

SECTION 16. LEGISLATIVE INTENT - GRANTS LINE ITEM. It is the intent of the legislative assembly that \$150,000 of the grants line item in section 1 of this Act be available for the manufacturing technology partnership.

SECTION 17. LEGISLATIVE INTENT - GRANT ALLOCATION - UNITED STATES DEPARTMENT OF AGRICULTURE DESIGNATED CHAMPION COMMUNITIES. It is the intent of the legislative assembly that \$50,000 of the grants line item in section 1 of this Act be allocated to provide matching funds on a dollar-for-dollar basis to United States department of agriculture designated champion communities for the funding of an economic development coordinator employed by the champion communities to assist in economic development. Local matching funds may be in cash or in-kind contributions."

Page 5, line 17, replace "10" with "13"

Renumber accordingly

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2001, SB 2217, SB 2371.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2071, SB 2098, SB 2125.

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

MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1002: Sens. Nething; Kringstad; Robinson

HB 1003: Sens. St. Aubyn; Bowman; Krauter

HB 1012: Sens. Nething; Kringstad; Tallackson

HB 1013: Sens. Naaden; Andrist; Robinson

HB 1015: Sens. Naaden; Holmberg; Tomac

HB 1290: Sens. Grindberg; Solberg; Tomac

HB 1475: Sens. G. Nelson; Nething; Tallackson

MOTION

REP. DORSO MOVED that the House be on the Fifth and Seventh orders of business and at the conclusion of those orders the House stand in recess until 1:00 p.m., which motion prevailed.

REPORT OF STANDING COMMITTEE

SB 2441, as engrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REFERRED** to the **Appropriations Committee** (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2441 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "and" with a comma

Page 1, line 8, after "miles" insert ", and that the superintendent of public instruction, using demographic and statistical data provided by an institution of higher education in this state, determines that the reorganized district will have a student population and an economic base sufficient to allow the provision of appropriate educational opportunities to its students for a period of at least ten years from the date of its reorganization or that the reorganized district will need to be maintained for a period of at least ten years from the date of its reorganization to serve students residing in a sparsely populated area of the state. A reorganized district may appeal the determination of the superintendent to the state board of public school education. A determination of the state board under this section is final"

Page 1, line 23, replace "Twenty-five" with "Fifty"

Page 2, line 7, replace "The" with "After all other statutory obligations have been met within the limits of legislative appropriations, the"

Page 2, line 11, replace "except that" with "provided" and replace "two" with "three"

Page 2, line 12, after the period insert "No reorganization bonus payable under this Act may exceed five hundred thousand dollars."

Page 2, line 14, after the period insert "If any funds remain in the grants - foundation aid and transportation line item after the obligations of this Act are met and after all other statutory obligations within the limits of legislative appropriations are met, the superintendent of public instruction shall distribute the funds as a separate and additional per student payment on a weighted basis as determined under chapter 15-40.1."

ReNUMBER accordingly

REPORT OF STANDING COMMITTEE

SB 2012, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A **MAJORITY** of your committee (Reps. Dalrymple, Byerly, Bernstein, Boehm, Carlson, Carlisle, Delzer, Lloyd, Monson, Svedjan, Timm, Tollefson, Wentz (refused to sign)) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "enact" insert "a new section to chapter 25-03.2,"

Page 1, line 3, replace "50-24.3" with "50-11" and after the second "to" insert "a moratorium on residential treatment center and residential child care facility beds,"

Page 1, line 4, remove "the duty of nursing facilities to assure preadmission"

Page 1, line 5, remove "assessment of medicaid recipients,"

Page 1, line 6, replace "sections" with "section" and replace "50-24.3-01, 50-24.3-03" with "subsection 3 of section 50-01.2-03.2"

Page 1, line 8, replace "the provision of targeted case management, preadmission assessments" with "human services financing in exceptional circumstances"

Page 1, line 16, after the second semicolon insert "to provide a contingent appropriation; to provide an effective date; to provide an expiration date;"

Page 2, line 2, replace "10,573,612" with "10,905,488"

Page 2, line 3, replace "39,387,796" with "38,950,266"

Page 2, line 4, replace "2,780,785" with "1,782,707"

Page 2, after line 4, insert:

"Capital improvements

493"

Page 2, line 5, replace "727,369" with "1,055,889"

Page 2, line 7, replace "55,310,518" with "54,535,799"

Page 2, line 8, replace "40,813,727" with "40,070,980"

Page 2, line 9, replace "14,496,791" with "14,464,819"

Page 2, line 13, replace "12,162,839" with "11,855,427"

Page 2, line 16, replace "118,918,381" with "118,686,945"

Page 2, line 17, replace "678,805,038" with "664,714,915"

Page 2, line 18, replace "818,700,935" with "804,071,964"

Page 2, line 19, replace "618,743,557" with "609,929,450"

Page 2, line 20, replace "199,957,378" with "194,142,514"

Page 2, line 23, replace "9,771,984" with "9,798,640"

Page 2, line 24, replace "12,604,936" with "12,636,478"

Page 2, line 27, replace "126,451,941" with "125,005,238"

Page 2, line 28, replace "148,996,805" with "147,608,300"

Page 2, line 29, replace "105,625,287" with "110,720,177"

Page 2, line 30, replace "43,371,518" with "36,888,123"

Page 3, line 2, replace "7,738,383" with "7,468,253"

Page 3, line 3, replace "3,449,360" with "3,424,742"

Page 3, line 4, replace "4,289,023" with "4,043,511"

Page 3, line 6, replace "14,342,296" with "14,076,398"

Page 3, line 7, replace "6,876,846" with "6,840,437"

Page 3, line 8, replace "7,465,450" with "7,235,961"

Page 3, line 10, replace "7,353,203" with "6,983,294"

Page 3, line 11, replace "2,983,149" with "2,911,319"

Page 3, line 12, replace "4,370,054" with "4,071,975"

Page 3, line 15, replace "17,580,906" with "16,488,248"

Page 3, line 16, replace "18,852,241" with "17,759,583"

Page 3, line 17, replace "10,423,054" with "10,247,477"

Page 3, line 18, replace "8,429,187" with "7,512,106"

Page 3, line 20, replace "151,825" with "151,332"

Page 3, line 21, replace "18,365,509" with "18,110,065"

Page 3, line 22, replace "18,517,334" with "18,261,397"

Page 3, line 23, replace "10,672,110" with "10,664,235"

Page 3, line 24, replace "7,845,224" with "7,597,162"

Page 3, line 26, replace "9,332,090" with "9,090,674"

Page 3, line 27, replace "4,209,971" with "4,186,629"

Page 3, line 28, replace "5,122,119" with "4,904,045"

Page 4, line 1, replace "17,996,234" with "17,634,522"

Page 4, line 2, replace "10,507,579" with "10,485,133"

Page 4, line 3, replace "7,488,655" with "7,149,389"

Page 4, line 5, replace "8,803,927" with "8,696,106"

Page 4, line 6, replace "4,502,332" with "4,485,909"

Page 4, line 7, replace "4,301,595" with "4,210,197"

Page 4, line 10, replace "48,609,561" with "48,052,091"

Page 4, line 11, replace "50,309,226" with "49,751,756"

Page 4, line 13, replace "34,541,892" with "33,984,422"

Page 4, line 16, replace "39,281,922" with "38,709,426"

Page 4, line 17, replace "39,477,312" with "38,904,816"

Page 4, line 18, replace "30,018,365" with "29,617,618"

Page 4, line 19, replace "9,458,947" with "9,287,198"

Page 4, line 20, replace "192,722,246" with "188,626,799"

Page 4, line 21, replace "99,410,100" with "98,630,833"

Page 4, line 22, replace "93,312,146" with "89,995,966"

Page 4, line 23, replace "S.B. 2012" with "section 1" and replace "351,137,833" with "335,491,422"

Page 4, line 24, replace "S.B. 2012" with "section 1" and replace "864,792,671" with "859,351,440"

Page 4, line 25, replace "S.B. 2012" with "section 1" and replace "1,215,930,504" with "1,194,842,862"

Page 6, after line 13, insert:

"SECTION 8. A new section to chapter 25-03.2 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential treatment center for children bed capacity. Notwithstanding sections 25-03.2-03 and 25-03.2-08, the department may not issue a license under this chapter for any additional bed capacity for a residential treatment center for children above the state's gross number of beds licensed as of June 30, 1999."

SECTION 9. AMENDMENT. Subsection 3 of section 50-01.2-03.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. ~~The Notwithstanding any other provisions of law, the department shall seek appropriations for the purpose of providing additional financial assistance to reimburse county social service boards for human service program costs and local expenses of administering human service locally administered economic assistance programs in counties in which the presence of an Indian reservation substantially reduces the amount of property subject to taxation~~ counties in which more than twenty percent of the caseload for

these programs consists of people who reside on a federally recognized Indian reservation or property tax-exempt tribal trust lands. The reimbursement must be such that:

- a. An affected county's expenses for locally administered economic assistance programs in excess of the statewide average of such costs, expressed in mills, for all other counties will be reimbursed at one hundred percent;
- b. Each calendar year the affected counties will receive quarterly allocations based on the actual county expenses for the state fiscal year ending the previous June thirtieth and the most recent taxable valuations published pursuant to section 57-13-07 available on that date;
- c. The reimbursement will be calculated for each county and reported to the county social service board prior to August first of the year preceding the allocation; and
- d. For calendar year 2000, up to fifteen percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement. For the first six months of calendar year 2001, up to seven and one-half percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement."

Page 6, after line 30, insert:

"SECTION 11. A new section to chapter 50-11 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential child care facility bed capacity. Notwithstanding sections 50-11-02 and 50-11-09, the department may not issue a license under this chapter for any additional bed capacity for a residential child care facility above the state's gross number of beds licensed as of June 30, 1999."

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 19

Page 9, line 30, replace "three" with "two"

Page 10, after line 28, insert:

"SECTION 23. LEGISLATIVE INTENT - SOCIAL SERVICES BLOCK GRANT FUNDING. It is the intent of the legislative assembly that the department of human services in presenting the department's budget request for the 2001-03 biennium to the fifty-seventh legislative assembly identify the use of social services block grant funds, including information on any proposed federal changes in the block grant funding, and identify specific areas where an appropriation from the state general fund is requested to replace reduced social services block grant funds.

SECTION 24. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES PROGRAMS - PROGRAM EFFICIENCIES - APPROPRIATE USE OF FEDERAL FUNDS - REPORTS TO THE LEGISLATIVE COUNCIL. It is the intent of the legislative assembly that the department of human services review departmental program funding issues during the 1999-2000 interim, including the appropriateness of maximizing the use of federal funds, the opportunities to reduce general fund program expenditures, the appropriate methods to provide detailed justification prior to the expansion of programs, the appropriateness of the state replacing reductions in federal funds with state resources, the coordination of programs to avoid duplication in program delivery, and the cost/benefit of programs. The department of human services shall report its findings and recommendations as a result of reviewing these issues to the legislative council, or an appropriate committee of the legislative council during the 1999-2000 interim.

SECTION 25. LEGISLATIVE INTENT - NURSING HOME LIMITATIONS - BUDGET SECTION APPROVAL. It is the intent of the legislative assembly that the

department of human services not reduce the nursing home limitations for direct, other direct, and indirect cost categories from the levels anticipated in the executive budget and contained in section 1 of this Act during the biennium beginning July 1, 1999, and ending June 30, 2001, unless receiving prior budget section approval.

SECTION 26. LEGISLATIVE INTENT - WAGE INCREASES FOR DIRECT CONTACT AND PROFESSIONAL STAFF OF COMMUNITY DEVELOPMENTAL DISABILITIES PROVIDER AGENCIES. It is the intent of the legislative assembly that funding increases provided community developmental disabilities provider agencies in subdivision 2 of section 1 of this Act specifically for salaries and wages adjustments be allocated by the department of human services specifically to the salaries and wages line item for the individual provider agencies and those funds be used only for that purpose by the provider agencies.

SECTION 27. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICE CENTER SERVICES. The legislative council shall consider studying during the 1999-2000 interim the services provided by human service centers, including the appropriateness of and justification for continuing human service center programs, the cost/benefit of human service programs, methods for evaluating the effectiveness and outcomes of human service center programs, and the need to establish priorities relating to human service center programs.

SECTION 28. LEGISLATIVE COUNCIL STUDY - NURSING HOME REGULATIONS - IMPACT ON COST OF CARE. The legislative council shall consider studying during the 1999-2000 interim the state and federal regulations relating to nursing homes, the impact of those regulations on the cost of care at North Dakota nursing homes, and state options for reducing regulations and the related reductions in cost of care.

SECTION 29. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION. The legislative council shall consider studying during the 1999-2000 interim the appropriateness of the state continuing rate equalization for private pay and public pay residents in nursing homes, including the fiscal impact on private pay and public pay residents of the repeal of rate equalization.

SECTION 30. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the feasibility and desirability of collocating the developmental center and the state hospital at one location and the feasibility and desirability of transferring additional buildings on the state hospital grounds to the department of corrections and rehabilitation."

Page 11, after line 6, insert:

"SECTION 33. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - NETWORK TECHNICAL SUPPORT. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, and federal funds of \$50,000 to the department of human services for the purpose of providing network technical support to county social service boards, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 34. CONTINGENT APPROPRIATION - TRAUMATIC BRAIN-INJURED FACILITY. There is hereby appropriated a total of \$200,000, including \$140,000 of federal funds and \$60,000 from the general fund in the state treasury, not otherwise appropriated, or so much of the funds as may be necessary, for the biennium beginning July 1, 1999, and ending June 30, 2001. This money may be spent by the department of human services only if additional beds for traumatic brain-injured persons are established in western North Dakota and after receiving emergency commission and budget section approval.

SECTION 35. APPROPRIATION - EMPLOYEE POSITION FUNDING. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$550,000, or so much of the sum as may be necessary, to the department of human services and its various divisions for the purpose of funding salaries and wages where vacancies are less than estimated, for the biennium beginning July 1, 1999, and ending June 30, 2001. The department of human services may allocate, as necessary, the funding to the various subdivisions contained in section 1 of this Act.

SECTION 36. APPROPRIATION - EMPLOYEE POSITION FUNDING - AVAILABLE SPECIAL FUNDS. There is hereby appropriated up to \$1,000,000, or so much of the sum as may be necessary, from special funds derived from federal funds and other income, to the department of human services and its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, to the extent funds become available, to be used if necessary to replace general fund reductions included in section 1 of this Act relating to vacant employee positions. The department of human services may allocate, as necessary, the funding to the various subdivisions contained in section 1 of this Act.

SECTION 37. TRANSFER APPROPRIATION AUTHORITY - ANTICIPATED VACANT EMPLOYEE POSITION REDUCTION. The department of human services may transfer appropriation authority up to a total amount of \$2,500,000 within the subdivisions in section 1 of this Act to accommodate reductions in funding made related to anticipated vacant employee positions, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 38. CONTINGENT GENERAL FUND APPROPRIATION - SPED PROGRAM. The estimated income line item in subdivision 3 of section 1 of this bill includes \$4,262,410 from special funds derived from the health care trust fund created pursuant to Senate Bill No. 2168. In the event that moneys in the health care trust fund are less than anticipated resulting in a reduction of funds available for the SPED program there is hereby appropriated up to \$4,262,410, or so much of the funds as may be necessary, from the general fund in the state treasury, not otherwise appropriated, for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 11, after line 8, insert:

"SECTION 40. EFFECTIVE DATE. Section 9 of this Act becomes effective on January 1, 2000.

SECTION 41. EXPIRATION DATE. Sections 8 and 11 of this Act are effective through June 30, 2001, and after that date are ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment makes the following changes:

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 1 - Management and Councils - Engrossed SB 2012	123.60	\$55,310,518	\$14,496,791	\$40,813,727
Proposed Changes:				
Correct Senate amendments - Proper line items for computer projects				
Transfer 8 technology support FTE from human service centers	8.00	777,738	701,767	75,971
Reduce funding for CCWIPS computer project by one-third		(481,333)	(240,667)	(240,666)
Reduce operating expenses by 1 percent (37 percent general fund)		(383,593)	(141,929)	(241,664)
Reduce operating expenses - Office supplies (37 percent general fund)		(150,000)	(55,500)	(94,500)
Reduce equipment by 10 percent (55 percent general fund)		(198,078)	(108,943)	(89,135)
Remove funding for MMIS decision support project manager	(1.00)	(77,850)	(42,818)	(35,032)
Remove funding for project manager	(1.00)	(77,850)	(42,818)	(35,032)
Remove funding for technical support help desk	(1.00)	(70,420)	(38,731)	(31,689)
Remove funding for 2 unidentified new computer-related FTE positions	(2.00)	(113,333)	(62,333)	(51,000)
Proposed changes to Subdivision 1	3.00	(774,719)	(31,972)	(742,747)
PROPOSED AMOUNT SUBDIVISION 1	126.60	\$54,535,799	\$14,464,819	\$40,070,980

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 2 - Economic Assistance - Engrossed SB 2012	111.80	\$818,700,935	\$199,957,378	\$618,743,557
Proposed Changes:				
Remove funding for welfare fraud units added by Senate		(562,412)	(212,729)	(349,683)
Add additional funding for Indian counties - Also related statutory changes to provide a total of \$1,776,420		118,564	118,564	
Reduce funding for basic care and reduce general fund by "retained" funds saved		(288,322)	(288,322)	
Reduce funding to provide a 2 percent operating margin for basic care and passthrough of property costs		(61,678)	(61,678)	
Medical assistance grants:				
Drugs - Allow one-half of reprojction increase - Allow a total of \$49,304,267		2,100,000	630,000	1,470,000
Physicians - Reflect reprojction decrease - Allow a total of \$37,420,671		(755,021)	(226,506)	(528,515)
Outpatient hospital - Allow 30 percent of reprojction increase - Allow a total of \$33,671,184		600,000	180,000	420,000
Indian Health Service - Allow reprojction increase - Allow a total of \$14,269,180		453,551		453,551

Dental - Allow reprojction decrease - Allow a total of \$9,888,492	(59,519)	(17,856)	(41,663)	
Premiums Social Security - Allow reprojction decrease - Allow a total of \$4,687,464	(255,352)	(76,606)	(178,746)	
Rural health clinics - Reflect reprojction decrease - Allow \$4,021,989	(98,850)	(29,655)	(69,195)	
Treatment services - Children in private facilities - Reduce to \$5,400,000	(1,350,665)	(405,200)	(945,465)	
Durable medical equipment - Reduce to \$4,199,096	(400,000)	(120,000)	(280,000)	
Home health services - Increase to \$4,034,500	350,000	105,000	245,000	
Health maintenance organization premiums - Reduce to allow reprojction of \$3,028,860	(54,828)	(16,449)	(38,379)	
Optometric services - Reduce to \$1,512,318 - 1997-99 projected level	(129,984)	(38,995)	(90,989)	
Qualified Medicaid beneficiary premiums - Reduce to allow reprojction of \$1,757,315	(21,786)	(6,536)	(15,250)	
Speech and hearing services - Reduce to allow reprojction of \$1,625,667	(236,152)	(70,846)	(165,306)	
Refugee assistance - Increase to allow reprojction of \$1,512,348	81,828	(120,000)	81,828	
Hospice services - Reduce to allow reprojction of \$1,719,019	(238,223)	(71,467)	(166,756)	
Psychological services - Reduce to allow \$700,383	(38,649)	(11,595)	(27,054)	
Ambulance services - Increase to allow \$1,100,000	156,932	47,080	109,852	
Targeted case management - Pregnant women and infants - Reduce to \$104,904	(300,000)	(90,000)	(210,000)	
Special low income Medicare beneficiary premiums - Reduce to \$550,000	(87,168)	(26,150)	(61,018)	
Chiropractic services - Reduce to \$382,749	(29,733)	(8,920)	(20,813)	
Group health insurance premiums - Reduce to \$324,840	(15,264)	(4,579)	(10,685)	
Reduce operating funding for the Medicaid division	(75,000)	(21,750)	(53,250)	
Long-term care - Rebase on 96 data - Reflect updated CPI(2.0/2.2) and DRI	(2,707,342)	(812,203)	(1,895,139)	
Long-term care - Reduce number of beds - 100	(6,048,000)	(1,814,400)	(4,233,600)	
Targeted case management remove Senate addition, transfer \$273,677 to SPED	(994,000)	(273,677)	(720,323)	
CHIP program fund administrative costs	330,000	69,300	260,700	
Medical assistance/developmental disabilities grants:				
Reduce DD grants - Leave federal funds	(650,000)	(650,000)		
Reduce DD grants - Allow 36 cents per hour @ 27.5 fringe benefits	(1,222,731)	(408,906)	(813,825)	
Reduce DD grants - Adjust from 30 to 27.5 fringe benefits on base grants	(2,139,167)	(699,783)	(1,439,384)	
Reduce general fund increase special funds to reflect parent contributions		(500,000)	500,000	
Proposed changes to Subdivision 2		<u>(14,628,971)</u>	<u>(5,814,864)</u>	<u>(8,814,107)</u>
PROPOSED AMOUNT SUBDIVISION 2	111.80	\$804,071,964	\$194,142,514	\$609,929,450

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 3 - Program and Policy - Engrossed SB 2012	118.70	\$148,996,805	\$43,371,518	\$105,625,287
Proposed Changes:				
Use additional available TANF dollars to replace general fund dollars in excess of maintenance of effort requirements - Funding source change			(1,115,851)	1,115,851
Aging services changes:				
Reduce funding for senior mill levy match to \$1,050,000		(212,945)	(212,945)	
Restore Senate transfer to Subdivision 2 to SPED		273,677	273,677	
Recognize SPED funding from SB 2168, contingent general fund appropriation			(4,262,410)	4,262,410
Reduce funding for operating - General reduction		(50,000)	(26,500)	(23,500)
Add funding for adult protective services - Pilot project one region		75,000	75,000	
Children and family services changes:				
Reduce funding for foster care grants - Residential child care facility to 4.5%		(288,313)	(172,855)	(115,458)
Reduce funding for foster care grants - Family home care to 2.25%		(49,140)	(22,010)	(27,130)
Reduce funding for foster care grants - Subsidized adoption to 2.5%		(13,806)	(5,358)	(8,448)
Adjust line items for Senate reduction for multicounty child protection assessment (operating expenses should be increased and grants reduced if not restored)				
Reduce funding for foster care grants - Savings from additional therapeutic beds		(419,180)	(185,662)	(233,518)
Reduce funding for early childhood grants		(561,000)	(561,000)	
Add additional funding for Adoption and Safe Families Act:				
Background checks - Administrative staff	0.50	26,656	13,328	13,328
Court costs - Operating		650,000	325,000	325,000
Guardianship grants		(66,533)	(104,703)	38,170
Family focus grants transfer from operating, add \$19,458 of special funds		19,458		19,458
Review teams - Operating		20,371	5,088	15,283
Mental health services changes:				
Remove increased funding for compulsive gambling		(50,000)	(50,000)	
Substance abuse services changes:				
Reduce funding for operating - General reduction		(15,000)	(15,000)	
Developmental disabilities services changes:				
Reduce funding for operating - Assist computer project for providers		(653,000)	(394,494)	(258,506)
Reduce funding for operating - General reduction		(42,500)	(14,450)	(28,050)
Vocational rehabilitation services changes:				
Reduce funding for operating - General reduction		(2,250)	(2,250)	
Reduce funding for grants - Extended services		(30,000)	(30,000)	
Proposed changes to Subdivision 3	0.50	<u>(1,388,505)</u>	<u>(6,483,395)</u>	<u>5,094,890</u>
PROPOSED AMOUNT SUBDIVISION 3	119.20	\$147,608,300	\$36,888,123	\$110,720,177
Subdivision 4 - Human Service Centers and Institutions - Engrossed SB 2012	1,918.50	\$192,922,246	\$93,312,146	\$99,610,100
Proposed Changes:				
Transfer 8 technology support FTE to Information Services Division includes \$493 of capital improvements for Southeast HSC	(8.00)	(777,738)	(701,767)	(75,971)
Northeast Human Service Center changes:				
Restore funding for Harvest Home services removed by Senate		150,000	67,000	83,000
Remove funding additional advisory council meetings - OAR 301		(7,709)	(7,044)	(665)
Delay funding for CD adolescent treatment facility 3 months - OAR 204		(128,934)	(128,934)	
Delay State Hospital alternative by 6 months and reduce by one-fourth - OAR 209	(3.50)	(479,934)	(329,943)	(149,991)
General fund savings are from Title XX funding				

available from reduction				
Recognize funding available from Title XX			(17,127)	17,127
funding nurse FTE removed - OAR 210				
Remove funding for targeted case management - OAR 217	(2.00)	(235,781)	(168,639)	(67,142)
Remove funding for DD case manager - OAR 227	(0.50)	(41,462)	(30,694)	(10,768)
Reduce funding for SMI work activity - Operating - OAR 234		(20,000)	(20,000)	
Reduce funding for operating - Telecommunications - OAR 292		(26,040)	(23,793)	(2,247)
Reduce funding for operating - Training - OAR 293		(13,930)	(13,930)	
Reduce funding for operating - Rhinelander project OAR 311		(63,636)	(63,636)	
Reduce funding for operating - General reduction		(65,000)	(29,250)	(35,750)
Reduce funding for grants - General reduction		(54,327)	(54,327)	
Northwest Human Service Center changes:				
Reduce funding for salaries - Information proc.II - OAR 283	(1.00)	(48,604)	(43,896)	(4,708)
Reduce funding for salaries - Psychologist II - OAR 247	(1.00)	(66,818)	(66,818)	
Reduce funding for operating - OAR 294 and 286		(27,650)	(27,650)	
Reduce funding for operating - General reduction		(22,350)	(12,292)	(10,058)
Reduce funding for grants - General reduction		(10,000)	(10,000)	
North Central Human Service Center changes:				
Reduce funding for salaries - Social worker II - Position 2057	(0.30)	(16,520)	(3,259)	(13,261)
Reduce funding for operating - Rhinelander project		(60,721)	(60,721)	
Reduce funding for operating - General reduction		(26,000)	(13,040)	(12,960)
Reduce funding for equipment - General reduction		(1,000)	(1,000)	
Reduce funding for grants - General reduction		(65,000)	(65,000)	
Lake Region Human Service Center changes:				
Remove funding for HSPA II - Position 0172	(1.00)	(103,981)	(94,623)	(9,358)
Remove funding for administrative secretary III - Position 0281	(1.00)	(42,368)	(38,555)	(3,813)
Funded as operating				
Remove funding for social worker III - Position 0961	(1.00)	(69,174)	(33,674)	(35,500)
Remove FTE authorization for psychologist III - Funded as operating	(1.00)			
Reduce funding for operating - General reduction		(29,050)	(16,340)	(12,710)
Reduce funding for equipment - General reduction		(1,950)	(1,950)	
Reduce funding for grants - General reduction		(12,500)	(12,500)	
Southeast Human Service Center changes:				
Change funding for salaries - Sexual abuse treatment social worker			(35,673)	35,673
Reduce funding for operating - Rhinelander project		(36,500)	(36,500)	
Reduce funding for operating - General reduction		(55,000)	(20,200)	(34,800)
Reduce funding for equipment - General reduction		(5,000)	(5,000)	
Reduce funding for grants - General reduction		(60,000)	(60,000)	
South Central Human Service Center changes:				
Remove funding for SMI case manager - OAR 235	(1.00)	(70,915)	(70,915)	
Reduce funding for operating - OAR 251		(40,265)	(35,957)	(4,308)
Reduce funding for operating - Work activity OAR 236		(22,579)	(22,579)	
Reduce funding for operating - General reduction		(22,000)	(12,100)	(9,900)
West Central Human Service Center changes:				
Reduce funding for grants - Peer youth contract - SED - OAR 241		(10,800)	(10,800)	
Reduce funding for grants - Partnership evaluation component - OAR 252		(40,000)	(40,000)	
Reduce funding for grants - Contracted case mgmt - Penitentiary - OAR 302		(70,000)	(70,000)	
Reduce funding for grants - Contracted case mgmt - SMI - OAR 237		(24,745)	(24,745)	
Reduce funding for grants - Reduce Decotah Foundation inflation - OAR 273		(17,500)	(17,500)	
Reduce funding for operating - General reduction		(22,000)	(9,240)	(12,760)
Reduce funding for grants - General reduction		(75,000)	(75,000)	
Badlands Human Service Center changes:				
Reduce funding for grants - Respite care contract - OAR 249		(10,000)	(10,000)	
Reduce funding for operating - General reduction		(15,000)	(7,350)	(7,650)
State Hospital changes:				
Reduce funding for salaries - Unspecified		(250,000)	(250,000)	
Reduce funding for operating - Travel		(50,000)	(50,000)	
Reduce funding for operating - Utilities		(87,842)	(87,842)	
Reduce funding for operating - Postage		(6,533)	(6,533)	
Reduce funding for operating - Lease/rental equipment		(3,095)	(3,095)	
Reduce funding for operating - Professional development		(35,000)	(35,000)	
Reduce funding for operating - Professional services		(100,000)	(100,000)	
Reduce funding for operating - Professional supplies and materials		(15,000)	(15,000)	
Reduce funding for equipment - Office equipment and furniture		(10,000)	(10,000)	
Add a section providing for an interim Legislative Council study of the feasibility of collocating the State Hospital and Developmental Center at one location and the feasibility of transferring additional buildings on the State Hospital grounds to the Department of Corrections and Rehabilitation				
Developmental Center changes:				
Reduce funding for operating - Travel		(30,000)	(9,000)	(21,000)
Reduce funding for operating - Utilities		(50,000)	(15,000)	(35,000)
Reduce funding for operating - Lease/rental equipment		(25,000)	(7,500)	(17,500)
Reduce funding for operating - Operating fees and services		(50,000)	(15,000)	(35,000)
Reduce funding for operating - Repairs		(13,050)	(3,915)	(9,135)
Reduce funding for operating - Professional services		(100,000)	(30,000)	(70,000)
Reduce funding for operating - Office supplies		(3,000)	(900)	(2,100)
Reduce funding for operating - Printing		(20,000)	(6,000)	(14,000)
Reduce funding for operating - Food and clothing		(125,825)	(37,747)	(88,078)
Reduce funding for operating - Medical, dental, and optical		(62,499)	(18,750)	(43,749)
Reduce funding for operating - Buildings, grounds, and vehicle maintenance supplies		(37,743)	(11,323)	(26,420)
Reduce funding for operating - Miscellaneous supplies		(55,379)	(16,614)	(38,765)
Proposed changes to Subdivision 4	(21.30)	(\$4,095,447)	(\$3,316,180)	(\$779,267)
PROPOSED AMOUNT SUBDIVISION 4	1,897.20	\$188,826,799	\$89,995,966	\$98,830,833
New section - Network technical support		\$100,000	\$50,000	\$50,000
New section - Salaries and wages restoration		\$1,550,000	\$550,000	\$1,000,000
			GENERAL FUND	OTHER FUNDS
TOTAL DEPARTMENT OF HUMAN SERVICES - EXECUTIVE BUDGET		\$1,215,667,318	\$355,165,387	\$860,501,931
SENATE CHANGES		263,186	(4,027,554)	4,290,740
ENGROSSED SENATE BILL NO. 2012		\$1,215,930,504	\$351,137,833	\$864,792,671
HOUSE CHANGES		(19,237,642)	(15,046,411)	(4,191,231)
PROPOSED SENATE BILL NO. 2012		\$1,196,692,862	\$336,091,422	\$860,601,440

In addition these amendments include:

A contingency appropriation section traumatic brain injured \$200,000 of which \$60,000 is from the general fund.

A contingency appropriation section SPED program of \$4,262,410 from the general fund.

- Adds Section 9 to make the statutory changes related to state assistance for Indian counties by making up to 15 percent of social service block grant funds available for calendar year 2000 and up to 7.5 percent for calendar year 2001. In addition, \$118,564 from the general fund is added to provide a total of \$1,776,420 from the general fund for the 1999-2001 biennium.
- Adds Sections 8 and 11 to provide a moratorium on residential child care and treatment facilities through June 30, 2001.
- Provides legislative intent that the Department of Human Services provide in the 2001-03 biennium budget process information regarding the use of social services block grant moneys including any pending reductions and any Department of Human Services requests for moneys from the state general fund to replace reductions in the social services block grant funding; regarding use of federal funds; and regarding nursing home limitations regarding wage increases for the developmentally disabled providers.
- Provides for an interim Legislative Council study of the feasibility and desirability of collocating the Developmental Center and the State Hospital at one location and the feasibility and desirability of transferring additional buildings on the State Hospital grounds to the Department of Corrections and Rehabilitation, of human service center services, of nursing home regulations, and of nursing home rate equalization.
- Provides an appropriation for network technical support of \$100,000, \$50,000 from the general fund.
- Provides a contingent appropriation of \$200,000, \$60,000 from the general fund for traumatic brain injury beds.
- Provides a contingent general fund appropriation of \$4,262,410 for the SPED program.
- Provides a general fund appropriation of \$550,000 and a special fund appropriation of \$1,000,000 to reduce the impact of the reductions for vacant employee positions and allows the department of human services to transfer up to \$2,500,000 among subdivisions to accommodate vacant employee positions.

REPORT OF STANDING COMMITTEE

SB 2012, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gulleon, Hoffner, Huether, Kerzman, Nichols, Byerly (refused to sign), Poolman, Wentz) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS.

Page 1, line 2, after "enact" insert "a new section to chapter 25-03.2,"

Page 1, line 3, replace "50-24.3" with "50-11" and after the second "to" insert "a moratorium on residential treatment center and residential child care facility beds,"

Page 1, line 4, remove "the duty of nursing facilities to assure preadmission"

Page 1, line 5, remove "assessment of medicaid recipients,"

Page 1, line 6, replace "sections" with "section" and replace "50-24.3-01, 50-24.3-03" with "subsection 3 of section 50-01.2-03.2"

Page 1, line 8, replace "the provision of targeted case management, preadmission assessments" with "human services financing in exceptional circumstances"

Page 1, line 16, after the second semicolon insert "to provide a contingent appropriation; to provide an effective date; to provide an expiration date;"

Page 2, line 2, replace "10,573,612" with "10,905,488"

Page 2, line 3, replace "39,387,796" with "38,950,266"

Page 2, line 4, replace "2,780,785" with "1,782,707"

Page 2, after line 4, insert:

"Capital improvements

493"

Page 2, line 5, replace "727,369" with "1,055,889"

Page 2, line 7, replace "55,310,518" with "54,535,799"

Page 2, line 8, replace "40,813,727" with "40,070,980"

Page 2, line 9, replace "14,496,791" with "14,464,819"

Page 2, line 13, replace "12,162,839" with "11,855,427"

Page 2, line 16, replace "118,918,381" with "118,686,945"

Page 2, line 17, replace "678,805,038" with "664,714,915"

Page 2, line 18, replace "818,700,935" with "804,071,964"

Page 2, line 19, replace "618,743,557" with "609,929,450"

Page 2, line 20, replace "199,957,378" with "194,142,514"

Page 2, line 23, replace "9,771,984" with "9,798,640"

Page 2, line 24, replace "12,604,936" with "12,636,478"

Page 2, line 27, replace "126,451,941" with "125,005,238"

Page 2, line 28, replace "148,996,805" with "147,608,300"

Page 2, line 29, replace "105,625,287" with "110,720,177"

Page 2, line 30, replace "43,371,518" with "36,888,123"

Page 3, line 2, replace "7,738,383" with "7,468,253"

Page 3, line 3, replace "3,449,360" with "3,424,742"

Page 3, line 4, replace "4,289,023" with "4,043,511"

Page 3, line 6, replace "14,342,296" with "14,076,398"

Page 3, line 7, replace "6,876,846" with "6,840,437"

Page 3, line 8, replace "7,465,450" with "7,235,961"

Page 3, line 10, replace "7,353,203" with "6,983,294"

Page 3, line 11, replace "2,983,149" with "2,911,319"

Page 3, line 12, replace "4,370,054" with "4,071,975"

Page 3, remove lines 14 and 15

Page 3, line 16, replace "18,852,241" with "17,217,576"

Page 3, line 17, replace "10,423,054" with "10,451,290"

Page 3, line 18, replace "8,429,187" with "6,766,286"

Page 3, line 20, replace "151,825" with "151,332"

Page 3, line 21, replace "18,365,509" "18,110,065"

Page 3, line 22, replace "18,517,334" with "18,261,397"

Page 3, line 23, replace "10,672,110" with "10,664,235"

Page 3, line 24, replace "7,845,224" with "7,597,162"

Page 3, line 26, replace "9,332,090" with "9,090,674"

Page 3, line 27, replace "4,209,971" with "4,186,629"

Page 3, line 28, replace "5,122,119" with "4,904,045"

Page 4, line 1, replace "17,996,234" with "17,634,522"

Page 4, line 2, replace "10,507,579" with "10,485,133"

Page 4, line 3, replace "7,488,655" with "7,149,389"

Page 4, line 5, replace "8,803,927" with "8,696,106"

Page 4, line 6, replace "4,502,332" with "4,485,909"

Page 4, line 7, replace "4,301,595" with "4,210,197"

Page 4, line 10, replace "48,609,561" with "48,052,091"

Page 4, line 11, replace "50,309,226" with "49,751,756"

Page 4, line 13, replace "34,541,892" with "33,984,422"

Page 4, line 16, replace "39,281,922" with "38,709,426"

Page 4, line 17, replace "39,477,312" with "38,904,816"

Page 4, line 18, replace "30,018,365" with "29,617,618"

Page 4, line 19, replace "9,458,947" with "9,287,198"

Page 4, line 20, replace "192,722,246" with "188,084,792"

Page 4, line 21, replace "99,410,100" with "98,834,646"

Page 4, line 22, replace "93,312,146" with "89,250,146"

Page 4, line 23, replace "S.B. 2012" with "section 1" and replace "351,137,833" with "334,745,602"

Page 4, line 24, replace "S.B. 2012" with "section 1" and replace "864,792,671" with "859,555,253"

Page 4, line 25, replace "S.B. 2012" with "section 1" and replace "1,215,930,504" with "1,194,300,855"

Page 6, after line 13, insert:

"SECTION 8. A new section to chapter 25-03.2 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential treatment center for children bed capacity. Notwithstanding sections 25-03.2-03 and 25-03.2-08, the department may not issue a license under this chapter for any additional bed capacity for a residential treatment center for children above the state's gross number of beds licensed as of June 30, 1999.

SECTION 9. AMENDMENT. Subsection 3 of section 50-01.2-03.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- ~~The Notwithstanding any other provisions of law, the department shall seek appropriations for the purpose of providing additional financial assistance to reimburse county social service boards for human service program costs and local expenses of administering human service locally administered economic assistance programs in counties in which the presence of an~~

Indian reservation substantially reduces the amount of property subject to taxation counties in which more than twenty percent of the caseload for these programs consists of people who reside on a federally recognized Indian reservation or property tax-exempt tribal trust lands. The reimbursement must be such that:

- a. An affected county's expenses for locally administered economic assistance programs in excess of the statewide average of such costs, expressed in mills, for all other counties will be reimbursed at one hundred percent;
- b. Each calendar year the affected counties will receive quarterly allocations based on the actual county expenses for the state fiscal year ending the previous June thirtieth and the most recent taxable valuations published pursuant to section 57-13-07 available on that date;
- c. The reimbursement will be calculated for each county and reported to the county social service board prior to August first of the year preceding the allocation; and
- d. For calendar year 2000, up to fifteen percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement. For the first six months of calendar year 2001, up to seven and one-half percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement".

Page 6, after line 30, insert:

"SECTION 11. A new section to chapter 50-11 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential child care facility bed capacity.
Notwithstanding sections 50-11-02 and 50-11-09, the department may not issue a license under this chapter for any additional bed capacity for a residential child care facility above the state's gross number of beds licensed as of June 30, 1999."

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 19

Page 9, line 30, replace "three" with "two"

Page 10, after line 28, insert:

"SECTION 23. LEGISLATIVE INTENT - SOCIAL SERVICES BLOCK GRANT FUNDING. It is the intent of the legislative assembly that the department of human services in presenting the department's budget request for the 2001-03 biennium to the fifty-seventh legislative assembly identify the use of social services block grant funds, including information on any proposed federal changes in the block grant funding, and identify specific areas where an appropriation from the state general fund is requested to replace reduced social services block grant funds.

SECTION 24. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES PROGRAMS - PROGRAM EFFICIENCIES - APPROPRIATE USE OF FEDERAL FUNDS - REPORTS TO THE LEGISLATIVE COUNCIL. It is the intent of the legislative assembly that the department of human services review departmental program funding issues during the 1999-2000 interim, including the appropriateness of maximizing the use of federal funds, the opportunities to reduce general fund program expenditures, the appropriate methods to provide detailed justification prior to the expansion of programs, the appropriateness of the state replacing reductions in federal funds with state resources, the coordination of programs to avoid duplication in program delivery, and the cost/benefit of programs. The department of human services shall report its findings and recommendations as a result of reviewing these issues to the legislative council, or an appropriate committee of the legislative council during the 1999-2000 interim.

SECTION 25. LEGISLATIVE INTENT - NURSING HOME LIMITATIONS - BUDGET SECTION APPROVAL. It is the intent of the legislative assembly that the department of human services not reduce the nursing home limitations for direct, other direct, and indirect cost categories from the levels anticipated in the executive budget and contained in section 1 of this Act during the biennium beginning July 1, 1999, and ending June 30, 2001, unless receiving prior budget section approval.

SECTION 26. LEGISLATIVE INTENT - WAGE INCREASES FOR DIRECT CONTACT AND PROFESSIONAL STAFF OF COMMUNITY DEVELOPMENTAL DISABILITIES PROVIDER AGENCIES. It is the intent of the legislative assembly that funding increases provided community developmental disabilities provider agencies in subdivision 2 of section 1 of this Act specifically for salaries and wages adjustments be allocated by the department of human services specifically to the salaries and wages line item for the individual provider agencies and those funds be used only for that purpose by the provider agencies.

SECTION 27. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICE CENTER SERVICES. The legislative council shall consider studying during the 1999-2000 interim the services provided by human service centers, including the appropriateness of and justification for continuing human service center programs, the cost/benefit of human service programs, methods for evaluating the effectiveness and outcomes of human service center programs, and the need to establish priorities relating to human service center programs.

SECTION 28. LEGISLATIVE COUNCIL STUDY - NURSING HOME REGULATIONS - IMPACT ON COST OF CARE. The legislative council shall consider studying during the 1999-2000 interim the state and federal regulations relating to nursing homes, the impact of those regulations on the cost of care at North Dakota nursing homes, and state options for reducing regulations and the related reductions in cost of care.

SECTION 29. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION. The legislative council shall consider studying during the 1999-2000 interim the appropriateness of the state continuing rate equalization for private pay and public pay residents in nursing homes, including the fiscal impact on private pay and public pay residents of the repeal of rate equalization.

SECTION 30. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the feasibility and desirability of collocating the developmental center and the state hospital at one location and the feasibility and desirability of transferring additional buildings on the state hospital grounds to the department of corrections and rehabilitation."

Page 11, after line 6, insert:

"SECTION 33. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - NETWORK TECHNICAL SUPPORT. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, and federal funds of \$50,000 to the department of human services for the purpose of providing network technical support to county social service boards, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 34. CONTINGENT APPROPRIATION - TRAUMATIC BRAIN-INJURED FACILITY. There is hereby appropriated a total of \$200,000, including \$140,000 of federal funds and \$60,000 from the general fund in the state treasury, not otherwise appropriated, or so much of the funds as may be necessary, for the biennium beginning July 1, 1999, and ending June 30, 2001. This money may be spent by the department of human services only if additional beds for traumatic brain-injured persons are established in western North Dakota and after receiving emergency commission and budget section approval.

SECTION 35. APPROPRIATION - EMPLOYEE POSITION FUNDING. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$550,000, or so much of the sum as may be necessary, to the department of human services and its various divisions for the purpose of funding salaries and wages where vacancies are less than estimated, for the biennium beginning July 1, 1999, and ending June 30, 2001. The department of human services may allocate, as necessary, the funding to the various subdivisions contained in section 1 of this Act.

SECTION 36. APPROPRIATION - EMPLOYEE POSITION FUNDING - AVAILABLE SPECIAL FUNDS. There is hereby appropriated up to \$1,000,000, or so much of the sum as may be necessary, from special funds derived from federal funds and other income, to the department of human services and its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, to the extent funds become available, to be used if necessary to replace general fund reductions included in section 1 of this Act relating to vacant employee positions. The department of human services may allocate, as necessary, the funding to the various subdivisions contained in section 1 of this Act.

SECTION 37. TRANSFER APPROPRIATION AUTHORITY - ANTICIPATED VACANT EMPLOYEE POSITION REDUCTION. The department of human services may transfer appropriation authority up to a total amount of \$2,500,000 within the subdivisions in section 1 of this Act to accommodate reductions in funding made related to anticipated vacant employee positions, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 38. CONTINGENT GENERAL FUND APPROPRIATION - SPED PROGRAM. The estimated income line item in subdivision 3 of section 1 of this bill includes \$4,262,410 from special funds derived from the health care trust fund created pursuant to Senate Bill No. 2168. In the event that moneys in the health care trust fund are less than anticipated resulting in a reduction of funds available for the SPED program there is hereby appropriated up to \$4,262,410, or so much of the funds as may be necessary, from the general fund in the state treasury, not otherwise appropriated, for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 11, after line 8, insert:

"SECTION 40. EFFECTIVE DATE. Section 9 of this Act becomes effective on January 1, 2000.

SECTION 41. EXPIRATION DATE. Sections 8 and 11 of this Act are effective through June 30, 2001, and after that date are ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment makes the following changes:

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 1 - Management and Councils - Engrossed SB 2012	123.60	\$55,310,518	\$14,496,791	\$40,813,727
Proposed Changes:				
Correct Senate amendments - Proper line items for computer projects				
Transfer 8 technology support FTE from human service centers	8.00	777,738	701,767	75,971
Reduce funding for CCWIPS computer project by one-third		(481,333)	(240,667)	(240,666)
Reduce operating expenses by 1 percent (37 percent general fund)		(383,593)	(141,929)	(241,664)
Reduce operating expenses - Office supplies (37 percent general fund)		(150,000)	(55,500)	(94,500)
Reduce equipment by 10 percent (55 percent general fund)		(198,078)	(108,943)	(89,135)
Remove funding for MMIS decision support project manager	(1.00)	(77,850)	(42,818)	(35,032)
Remove funding for project manager	(1.00)	(77,850)	(42,818)	(35,032)
Remove funding for technical support help desk	(1.00)	(70,420)	(38,731)	(31,689)
Remove funding for 2 unidentified new computer-related FTE positions	(2.00)	(113,333)	(62,333)	(51,000)
Proposed changes to Subdivision 1	<u>3.00</u>	<u>(774,719)</u>	<u>(31,972)</u>	<u>(742,747)</u>
PROPOSED AMOUNT SUBDIVISION 1	126.60	\$54,535,799	\$14,464,819	\$40,070,980

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 2 - Economic Assistance - Engrossed SB 2012	111.80	\$818,700,935	\$199,957,378	\$618,743,557
Proposed Changes:				
Remove funding for welfare fraud units added by Senate		(562,412)	(212,729)	(349,683)
Add additional funding for Indian counties - Also related statutory changes to provide a total of \$1,776,420		118,564	118,564	
Reduce funding for basic care and reduce general fund by "retained" funds saved		(288,322)	(288,322)	
Reduce funding to provide a 2 percent operating margin for basic care and passthrough of property costs		(61,678)	(61,678)	
Medical assistance grants:				
Drugs - Allow one-half of reprojction increase - Allow a total of \$49,304,267		2,100,000	630,000	1,470,000
Physicians - Reflect reprojction decrease - Allow a total of \$37,420,671		(755,021)	(226,506)	(528,515)
Outpatient hospital - Allow 30 percent of reprojction increase - Allow a total of \$33,671,184		600,000	180,000	420,000
Indian Health Service - Allow reprojction increase - Allow a total of		453,551		453,551

\$14,269,180				
Dental - Allow reprojecion decrease - Allow a total of \$9,888,492	(59,519)	(17,856)	(41,663)	
Premiums Social Security - Allow reprojecion decrease - Allow a total of \$4,687,464	(255,352)	(76,606)	(178,746)	
Rural health clinics - Reflect reprojecion decrease - Allow \$4,021,989	(98,850)	(29,655)	(69,195)	
Treatment services - Children in private facilities - Reduce to \$5,400,000	(1,350,665)	(405,200)	(945,465)	
Durable medical equipment - Reduce to \$4,199,096	(400,000)	(120,000)	(280,000)	
Home health services - Increase to \$4,034,500	350,000	105,000	245,000	
Health maintenance organization premiums - Reduce to allow reprojecion of \$3,028,860	(54,828)	(16,449)	(38,379)	
Optometric services - Reduce to \$1,512,318 - 1997-99 projected level	(129,984)	(38,995)	(90,989)	
Qualified Medicaid beneficiary premiums - Reduce to allow reprojecion of \$1,757,315	(21,786)	(6,536)	(15,250)	
Speech and hearing services - Reduce to allow reprojecion of \$1,625,667	(236,152)	(70,846)	(165,306)	
Refugee assistance - Increase to allow reprojecion of \$1,512,348	81,828		81,828	
Hospice services - Reduce to allow reprojecion of \$1,719,019	(238,223)	(71,467)	(166,756)	
Psychological services - Reduce to allow \$700,383	(38,649)	(11,595)	(27,054)	
Ambulance services - Increase to allow \$1,100,000	156,932	47,080	109,852	
Targeted case management - Pregnant women and infants - Reduce to \$104,904	(300,000)	(90,000)	(210,000)	
Special low income Medicare beneficiary premiums - Reduce to \$550,000	(87,168)	(26,150)	(61,018)	
Chiropractic services - Reduce to \$382,749	(29,733)	(8,920)	(20,813)	
Group health insurance premiums - Reduce to \$324,840	(15,264)	(4,579)	(10,685)	
Reduce operating funding for the Medicaid division	(75,000)	(21,750)	(53,250)	
Long-term care - Rebase on 96 data - Reflect updated CPI(2.0/2.2) and DRI	(2,707,342)	(812,203)	(1,895,139)	
Long-term care - Reduce number of beds - 100	(6,048,000)	(1,814,400)	(4,233,600)	
Targeted case management remove Senate addition, transfer \$273,677 to SPED	(994,000)	(273,677)	(720,323)	
CHIP program fund administrative costs	330,000	69,300	260,700	
Medical assistance/developmental disabilities grants:				
Reduce DD grants - Leave federal funds	(650,000)	(650,000)		
Reduce DD grants - Allow 36 cents per hour @ 27.5 fringe benefits	(1,222,731)	(408,906)	(813,825)	
Reduce DD grants - Adjust from 30 to 27.5 fringe benefits on base grants	(2,139,167)	(699,783)	(1,439,384)	
Reduce general fund increase special funds to reflect parent contributions		(500,000)	500,000	
Proposed changes to Subdivision 2		<u>(14,628,971)</u>	<u>(5,814,864)</u>	<u>(8,814,107)</u>
PROPOSED AMOUNT SUBDIVISION 2	111.80	\$804,071,964	\$194,142,514	\$609,929,450

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 3 - Program and Policy - Engrossed SB 2012	118.70	\$148,996,805	\$43,371,518	\$105,625,287
Proposed Changes:				
Use additional available TANF dollars to replace general fund dollars in excess of maintenance of effort requirements - Funding source change			(1,115,851)	1,115,851
Aging services changes:				
Reduce funding for senior mill levy match to \$1,050,000		(212,945)	(212,945)	
Restore Senate transfer to Subdivision 2 to SPED		273,677	273,677	
Recognize SPED funding from SB 2168, contingent general fund appropriation			(4,262,410)	4,262,410
Reduce funding for operating - General reduction		(50,000)	(26,500)	(23,500)
Add funding for adult protective services - Pilot project one region		75,000	75,000	
Children and family services changes:				
Reduce funding for foster care grants - Residential child care facility to 4.5%		(288,313)	(172,855)	(115,458)
Reduce funding for foster care grants - Family home care to 2.25%		(49,140)	(22,010)	(27,130)
Reduce funding for foster care grants - Subsidized adoption to 2.5%		(13,806)	(5,358)	(8,448)
Adjust line items for Senate reduction for multicounty child protection assessment (operating expenses should be increased and grants reduced if not restored)				
Reduce funding for foster care grants - Savings from additional therapeutic beds		(419,180)	(185,662)	(233,518)
Reduce funding for early childhood grants		(561,000)	(561,000)	
Add additional funding for Adoption and Safe Families Act:				
Background checks - Administrative staff	0.50	26,656	13,328	13,328
Court costs - Operating		650,000	325,000	325,000
Guardianship grants		(66,533)	(104,703)	38,170
Family focus grants transfer from operating, add \$19,458 of special funds		19,458		19,458
Review teams - Operating		20,371	5,088	15,283
Mental health services changes:				
Remove increased funding for compulsive gambling		(50,000)	(50,000)	
Substance abuse services changes:				
Reduce funding for operating - General reduction		(15,000)	(15,000)	
Developmental disabilities services changes:				
Reduce funding for operating - Assist computer project for providers		(653,000)	(394,494)	(258,506)
Reduce funding for operating - General reduction		(42,500)	(14,450)	(28,050)
Vocational rehabilitation services changes:				
Reduce funding for operating - General reduction		(2,250)	(2,250)	
Reduce funding for grants - Extended services		<u>(30,000)</u>	<u>(30,000)</u>	
Proposed changes to Subdivision 3	0.50	<u>(1,388,505)</u>	<u>(6,483,395)</u>	<u>5,094,890</u>
PROPOSED AMOUNT SUBDIVISION 3	119.20	\$147,608,300	\$36,888,123	\$110,720,177
Subdivision 4 - Human Service Centers and Institutions - Engrossed SB 2012	1,918.50	\$192,922,246	\$93,312,146	\$99,610,100
Proposed Changes:				
Transfer 8 technology support FTE to Information Services Division includes \$493 of capital improvements for Southeast HSC	(8.00)	(777,738)	(701,767)	(75,971)
Northeast Human Service Center - Remove Senate Amendments:				
Remove purchase of building		(895,000)	(895,000)	
Remove related maintenance costs of \$3/sq. ft. @ 39,433 sq. ft.		(236,598)	(125,400)	(111,198)
Remove building improvements		(376,335)	(376,335)	
Remove additional rent from unused space		(75,000)	94,032	(169,032)
Restore facility rent		945,226	504,905	440,321
Restore one-time costs associated with move		195,700	151,987	43,722
Reduce operating expenses		(100,000)	(100,000)	
Northeast Human Service Center - Other changes:				

Restore funding for Harvest Home services removed by Senate		150,000	67,000	83,000
Remove funding additional advisory council meetings - OAR 301		(7,709)	(7,044)	(665)
Delay funding for CD adolescent treatment facility 3 months - OAR 204		(128,934)	(128,934)	
Delay State Hospital alternative by 6 months and reduce by one-fourth - OAR 209	(3.50)	(479,934)	(329,943)	(149,991)
General fund savings are from Title XX funding available from reduction				
Recognize funding available from Title XX funding nurse FTE removed - OAR 210			(17,127)	17,127
Remove funding for targeted case management - OAR 217	(2.00)	(235,781)	(168,639)	(67,142)
Remove funding for DD case manager - OAR 227	(0.50)	(41,462)	(30,694)	(10,768)
Reduce funding for SMI work activity - Operating - OAR 234		(20,000)	(20,000)	
Reduce funding for operating - Telecommunications - OAR 292		(26,040)	(23,793)	(2,247)
Reduce funding for operating - Training - OAR 293		(13,930)	(13,930)	
Reduce funding for operating - Rhinelander project OAR 311		(63,636)	(63,636)	
Reduce funding for operating - General reduction		(65,000)	(29,250)	(35,750)
Reduce funding for grants - General reduction		(54,327)	(54,327)	
Northwest Human Service Center changes:				
Reduce funding for salaries - Information proc.II - OAR 283	(1.00)	(48,604)	(43,896)	(4,708)
Reduce funding for salaries - Psychologist II - OAR 247	(1.00)	(66,818)	(66,818)	
Reduce funding for operating - OAR 294 and 286		(27,650)	(27,650)	
Reduce funding for operating - General reduction		(22,350)	(12,292)	(10,058)
Reduce funding for grants - General reduction		(10,000)	(10,000)	
North Central Human Service Center changes:				
Reduce funding for salaries - Social worker II - Position 2057	(0.30)	(16,520)	(3,259)	(13,261)
Reduce funding for operating - Rhinelander project		(60,721)	(60,721)	
Reduce funding for operating - General reduction		(26,000)	(13,040)	(12,960)
Reduce funding for equipment - General reduction		(1,000)	(1,000)	
Reduce funding for grants - General reduction		(65,000)	(65,000)	
Lake Region Human Service Center changes:				
Remove funding for HSPA II - Position 0172	(1.00)	(103,981)	(94,623)	(9,358)
Remove funding for administrative secretary III - Position 0281	(1.00)	(42,368)	(38,555)	(3,813)
Funded as operating				
Remove funding for social worker III - Position 0961	(1.00)	(69,174)	(33,674)	(35,500)
Remove FTE authorization for psychologist III - Funded as operating	(1.00)			
Reduce funding for operating - General reduction		(29,050)	(16,340)	(12,710)
Reduce funding for equipment - General reduction		(1,950)	(1,950)	
Reduce funding for grants - General reduction		(12,500)	(12,500)	
Southeast Human Service Center changes:				
Change funding for salaries - Sexual abuse treatment social worker			(35,673)	35,673
Reduce funding for operating - Rhinelander project		(36,500)	(36,500)	
Reduce funding for operating - General reduction		(55,000)	(20,200)	(34,800)
Reduce funding for equipment - General reduction		(5,000)	(5,000)	
Reduce funding for grants - General reduction		(60,000)	(60,000)	
South Central Human Service Center changes:				
Remove funding for SMI case manager - OAR 235	(1.00)	(70,915)	(70,915)	
Reduce funding for operating - OAR 251		(40,265)	(35,957)	(4,308)
Reduce funding for operating - Work activity OAR 236		(22,579)	(22,579)	
Reduce funding for operating - General reduction		(22,000)	(12,100)	(9,900)
West Central Human Service Center changes:				
Reduce funding for grants - Peer youth contract - SED - OAR 241		(10,800)	(10,800)	
Reduce funding for grants - Partnership evaluation component - OAR 252		(40,000)	(40,000)	
Reduce funding for grants - Contracted case mgmt - Penitentiary - OAR 302		(70,000)	(70,000)	
Reduce funding for grants - Contracted case mgmt - SMI - OAR 237		(24,745)	(24,745)	
Reduce funding for grants - Reduce Decotah Foundation inflation - OAR 273		(17,500)	(17,500)	
Reduce funding for operating - General reduction		(22,000)	(9,240)	(12,760)
Reduce funding for grants - General reduction		(75,000)	(75,000)	
Badlands Human Service Center changes:				
Reduce funding for grants - Respite care contract - OAR 249		(10,000)	(10,000)	
Reduce funding for operating - General reduction		(15,000)	(7,350)	(7,650)
State Hospital changes:				
Reduce funding for salaries - Unspecified		(250,000)	(250,000)	
Reduce funding for operating - Travel		(50,000)	(50,000)	
Reduce funding for operating - Utilities		(87,842)	(87,842)	
Reduce funding for operating - Postage		(6,533)	(6,533)	
Reduce funding for operating - Lease/rental equipment		(3,095)	(3,095)	
Reduce funding for operating - Professional development		(35,000)	(35,000)	
Reduce funding for operating - Professional services		(100,000)	(100,000)	
Reduce funding for operating - Professional supplies and materials		(15,000)	(15,000)	
Reduce funding for equipment - Office equipment and furniture		(10,000)	(10,000)	
Add a section providing for an interim Legislative Council study of the feasibility of collocating the State Hospital and Developmental Center at one location and the feasibility of transferring additional buildings on the State Hospital grounds to the Department of Corrections and Rehabilitation				
Developmental Center changes:				
Reduce funding for operating - Travel		(30,000)	(9,000)	(21,000)
Reduce funding for operating - Utilities		(50,000)	(15,000)	(35,000)
Reduce funding for operating - Lease/rental equipment		(25,000)	(7,500)	(17,500)
Reduce funding for operating - Operating fees and services		(50,000)	(15,000)	(35,000)
Reduce funding for operating - Repairs		(13,050)	(3,915)	(9,135)
Reduce funding for operating - Professional services		(100,000)	(30,000)	(70,000)
Reduce funding for operating - Office supplies		(3,000)	(900)	(2,100)
Reduce funding for operating - Printing		(20,000)	(6,000)	(14,000)
Reduce funding for operating - Food and clothing		(125,825)	(37,747)	(88,078)
Reduce funding for operating - Medical, dental, and optical		(62,499)	(18,750)	(43,749)
Reduce funding for operating - Buildings, grounds, and vehicle maintenance supplies		(37,743)	(11,323)	(26,420)
Reduce funding for operating - Miscellaneous supplies		(55,379)	(16,614)	(38,765)
Proposed changes to Subdivision 4	(21.30)	(\$4,637,454)	(\$4,062,000)	(\$575,454)
PROPOSED AMOUNT SUBDIVISION 4	1,897.20	\$188,284,792	\$89,250,146	\$99,034,646
New section - Network technical support		\$100,000	\$50,000	\$50,000
New section - Salaries and wages restoration		\$1,550,000	\$550,000	\$1,000,000

	TOTAL	GENERAL FUND	OTHER FUNDS
TOTAL DEPARTMENT OF HUMAN SERVICES - EXECUTIVE BUDGET	\$1,215,667,318	\$355,165,387	\$860,501,931
SENATE CHANGES	263,186	(4,027,554)	4,290,740
ENGROSSED SENATE BILL NO. 2012	\$1,215,930,504	\$351,137,833	\$864,792,671
HOUSE CHANGES	(19,779,649)	(15,792,231)	(3,987,418)
PROPOSED SENATE BILL NO. 2012	\$1,196,150,855	\$335,345,602	\$860,805,253

In addition these amendments include:

A contingency appropriation section traumatic brain injured \$200,000 of which \$60,000 is from the general fund.

A contingency appropriation section SPED program of \$4,262,410 from the general fund.

- Adds Section 9 to make the statutory changes related to state assistance for Indian counties by making up to 15 percent of social service block grant funds available for calendar year 2000 and up to 7.5 percent for calendar year 2001. In addition, \$118,564 from the general fund is added to provide a total of \$1,776,420 from the general fund for the 1999-2001 biennium.
- Adds Sections 8 and 11 to provide a moratorium on residential child care and treatment facilities through June 30, 2001.
- Provides legislative intent that the Department of Human Services provide in the 2001-03 biennium budget process information regarding the use of social services block grant moneys including any pending reductions and any Department of Human Services requests for moneys from the state general fund to replace reductions in the social services block grant funding; regarding use of federal funds; and regarding nursing home limitations regarding wage increases for the developmentally disabled providers.
- Provides for an interim Legislative Council study of the feasibility and desirability of collocating the Developmental Center and the State Hospital at one location and the feasibility and desirability of transferring additional buildings on the State Hospital grounds to the Department of Corrections and Rehabilitation, of human service center services, of nursing home regulations, and of nursing home rate equalization.
- Provides an appropriation for network technical support of \$100,000, \$50,000 from the general fund.
- Provides a contingent appropriation of \$200,000, \$60,000 from the general fund for traumatic brain injury beds.
- Provides a contingent general fund appropriation of \$4,262,410 for the SPED program.
- Provides a general fund appropriation of \$550,000 and a special fund appropriation of \$1,000,000 to reduce the impact of the reductions for vacant employee positions and allows the department of human services to transfer up to \$2,500,000 among subdivisions to accommodate vacant employee positions.

REPORT OF STANDING COMMITTEE

SB 2012, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gulleon, Hoffner, Huether, Kerzman, Nichols) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "enact" insert "a new section to chapter 25-03.2,"

Page 1, line 3, replace "50-24.3" with "50-11, a new chapter to title 50" and after the second "to" insert "a moratorium on residential treatment center and residential child care facility beds,"

Page 1, line 4, replace "duty of nursing facilities to assure preadmission" with "children's health insurance program"

Page 1, line 5, remove "assessment of medicaid recipients"

Page 1, line 6, replace "sections" with "section" and replace "50-24.3-01, 50-24.3-03" with "subsection 3 of section 50-01.2-03.2"

Page 1, line 8, replace "the provision of targeted case management, preadmission assessments" with "human services financing in exceptional circumstances"

Page 1, line 16, after the second semicolon insert "to provide a contingent appropriation; to provide an effective date; to provide an expiration date;"

Page 2, line 2, replace "10,573,612" with "10,905,488"

Page 2, line 3, replace "39,387,796" with "38,950,266"

Page 2, line 4, replace "2,780,785" with "1,782,707"

Page 2, after line 4, insert:

"Capital improvements

493"

Page 2, line 5, replace "727,369" with "1,055,889"

Page 2, line 7, replace "55,310,518" with "54,535,799"

Page 2, line 8, replace "40,813,727" with "40,070,980"

Page 2, line 9, replace "14,496,791" with "14,464,819"

Page 2, line 13, replace "12,162,839" with "11,855,427"

Page 2, line 16, replace "118,918,381" with "118,686,945"

Page 2, line 17, replace "678,805,038" with "670,108,915"

Page 2, line 18, replace "818,700,935" with "809,465,964"

Page 2, line 19, replace "618,743,557" with "615,323,450"

Page 2, line 20, replace "199,957,378" with "194,142,514"

Page 2, line 23, replace "9,771,984" with "9,798,640"

Page 2, line 24, replace "12,604,936" with "12,636,478"

Page 2, line 27, replace "126,451,941" with "125,005,238"

Page 2, line 28, replace "148,996,805" with "147,608,300"

Page 2, line 29, replace "105,625,287" with "110,720,177"

Page 2, line 30, replace "43,371,518" with "36,888,123"

Page 3, line 2, replace "7,738,383" with "7,468,253"

Page 3, line 3, replace "3,449,360" with "3,424,742"

Page 3, line 4, replace "4,289,023" with "4,043,511"

Page 3, line 6, replace "14,342,296" with "14,076,398"

Page 3, line 7, replace "6,876,846" with "6,840,437"

Page 3, line 8, replace "7,465,450" with "7,235,961"

Page 3, line 10, replace "7,353,203" with "6,983,294"

Page 3, line 11, replace "2,983,149" with "2,911,319"

Page 3, line 12, replace "4,370,054" with "4,071,975"

Page 3, line 15, replace "17,580,906" with "16,488,248"

Page 3, line 16, replace "18,852,241" with "17,759,583"

Page 3, line 17, replace "10,423,054" with "10,247,477"

Page 3, line 18, replace "8,429,187" with "7,512,106"

Page 3, line 20, replace "151,825" with "151,332"

Page 3, line 21, replace "18,365,509" "18,110,065"

Page 3, line 22, replace "18,517,334" with "18,261,397"

Page 3, line 23, replace "10,672,110" with "10,664,235"

Page 3, line 24, replace "7,845,224" with "7,597,162"

Page 3, line 26, replace "9,332,090" with "9,090,674"

Page 3, line 27, replace "4,209,971" with "4,186,629"

Page 3, line 28, replace "5,122,119" with "4,904,045"

Page 4, line 1, replace "17,996,234" with "17,634,522"

Page 4, line 2, replace "10,507,579" with "10,485,133"

Page 4, line 3, replace "7,488,655" with "7,149,389"

Page 4, line 5, replace "8,803,927" with "8,696,106"

Page 4, line 6, replace "4,502,332" with "4,485,909"

Page 4, line 7, replace "4,301,595" with "4,210,197"

Page 4, line 10, replace "48,609,561" with "48,052,091"

Page 4, line 11, replace "50,309,226" with "49,751,756"

Page 4, line 13, replace "34,541,892" with "33,984,422"

Page 4, line 16, replace "39,281,922" with "38,709,426"

Page 4, line 17, replace "39,477,312" with "38,904,816"

Page 4, line 18, replace "30,018,365" with "29,617,618"

Page 4, line 19, replace "9,458,947" with "9,287,198"

Page 4, line 20, replace "192,722,246" with "188,626,799"

Page 4, line 21, replace "99,410,100" with "98,630,833"

Page 4, line 22, replace "93,312,146" with "89,995,966"

Page 4, line 23, replace "S.B. 2012" with "section 1" and replace "351,137,833" with "335,491,422"

Page 4, line 24, replace "S.B. 2012" with "section 1" and replace "864,792,671" with "864,745,440"

Page 4, line 25, replace "S.B. 2012" with "section 1" and replace "1,215,930,504" with "1,200,236,862"

Page 6, after line 13, insert:

"SECTION 8. A new section to chapter 25-03.2 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential treatment center for children bed capacity. Notwithstanding sections 25-03.2-03 and 25-03.2-08, the department may not issue a license under this chapter for any additional bed capacity for a residential

treatment center for children above the state's gross number of beds licensed as of June 30, 1999.

SECTION 9. AMENDMENT. Subsection 3 of section 50-01.2-03.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The Notwithstanding any other provisions of law, the department shall seek appropriations for the purpose of providing additional financial assistance to reimburse county social service boards for human service program costs and local expenses of administering human service locally administered economic assistance programs in counties in which the presence of an Indian reservation substantially reduces the amount of property subject to taxation counties in which more than twenty percent of the caseload for these programs consists of people who reside on a federally recognized Indian reservation or property tax-exempt tribal trust lands. The reimbursement must be such that:
 - a. An affected county's expenses for locally administered economic assistance programs in excess of the statewide average of such costs, expressed in mills, for all other counties will be reimbursed at one hundred percent;
 - b. Each calendar year the affected counties will receive quarterly allocations based on the actual county expenses for the state fiscal year ending the previous June thirtieth and the most recent taxable valuations published pursuant to section 57-13-07 available on that date;
 - c. The reimbursement will be calculated for each county and reported to the county social service board prior to August first of the year preceding the allocation; and
 - d. For calendar year 2000, up to fifteen percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement. For the first six months of calendar year 2001, up to seven and one-half percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement."

Page 6, after line 30, insert:

"SECTION 11. A new chapter to title 50 of the North Dakota Century Code is created and enacted as follows:

Definitions. As used in this chapter:

1. "Children's health insurance program" means a program to provide health assistance to low-income children funded through title XXI of the federal Social Security Act [42 U.S.C. 1397aa, et seq.].
2. "County agency" means the county social service board.
3. "Department" means the department of human services.
4. "Poverty line" means the official income poverty line as defined by the United States office of management and budget and revised annually in accordance with 42 U.S.C. 9902(2), applicable to a family of the size involved.

Duties of the department. The department shall:

1. Prepare, submit, and implement a state plan for a children's health insurance program in this state, including:
 - a. Coverage for mental health services at levels comparable to physical health services coverage; substance abuse services, including residential treatment if necessary; well-child care, including all services provided during a well-baby or well-child visit that includes

- screening and diagnostic services; vision and dental services; medical nutrition therapy; and coverage for primary care services offered by a variety of health care professionals, including pediatricians, family physicians, and nurse practitioners;
- b. Community-based eligibility outreach services;
 - c. Provisions allowing a crowd-out exception to be granted if loss of insurance coverage is beyond the control of the applicant;
 - d. Twelve-month continuous eligibility for children enrolled in the children's health insurance program;
 - e. Eligibility determinations for self-employed applicants based on the average of the previous three years of adjusted gross income, which means the adjusted gross income as computed for an individual for federal income tax purposes under the Internal Revenue Code; and
 - f. Monitoring and evaluating the appropriateness and quality of the children's health insurance program;
2. Supervise the administration of the children's health insurance program throughout this state;
 3. Take action, give directions, and adopt rules as may be necessary or desirable to carry out the provisions of this chapter, including:
 - a. Requiring no premium payment or asset test for eligibility;
 - b. Setting an income eligibility limit of one hundred fifty percent of the poverty line;
 - c. Imposing copayment requirements for each pharmaceutical prescription and for each emergency room hospital visit;
 - d. Imposing a deductible for each inpatient hospital visit; and
 - e. Imposing a premium for families with incomes over one hundred fifty percent of the poverty line which does not exceed five percent of the total family income;
 4. Apply for a federal waiver allowing twelve months of plan eligibility for a family whose income does not exceed one hundred seventy-five percent of the poverty line, is no longer eligible for temporary assistance for needy families because of increased earnings, and has exhausted transitional medical assistance;
 5. Apply for a federal waiver allowing plan coverage for a family through an employer-based insurance policy if an employer-based family insurance policy is more cost-effective than the traditional plan coverage for the children;
 6. Reimburse counties for expenses incurred in the administration of the children's health insurance program at rates based upon all counties' total administrative costs; and
 7. Administer all funds appropriated or made available to the department for the purpose of carrying out the provisions of this chapter.

Duties of county agency. In the administration of the children's health insurance program, unless the department otherwise establishes eligibility, the county agency shall:

1. Administer the children's health insurance program under the direction and supervision of the department; and
2. Make an investigation and record the circumstances of each applicant, obtaining information as may be required by the department.

Limitations of chapter. Health assistance provided under this chapter is not an entitlement. A person does not have a property interest in any health assistance sought or provided under this chapter. If the department estimates that available funds are insufficient to allow participation by additional applicants, the department may take any action appropriate to avoid commitment of funds in excess of available funds, including denying applications and establishing waiting lists, that is not forbidden by title XXI of the federal Social Security Act [42 U.S.C. 1397aa, et seq.] or regulations adopted thereunder. If the department estimates that demand for health assistance is insufficient to draw down available federal funds, the department may take any action appropriate to maximize drawdown of federal funds, notwithstanding any other provisions of this chapter.

SECTION 12. A new section to chapter 50-11 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential child care facility bed capacity. Notwithstanding sections 50-11-02 and 50-11-09, the department may not issue a license under this chapter for any additional bed capacity for a residential child care facility above the state's gross number of beds licensed as of June 30, 1999."

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 19

Page 9, line 30, replace "three" with "two"

Page 10, after line 28, insert:

"SECTION 24. LEGISLATIVE INTENT - SOCIAL SERVICES BLOCK GRANT FUNDING. It is the intent of the legislative assembly that the department of human services in presenting the department's budget request for the 2001-03 biennium to the fifty-seventh legislative assembly identify the use of social services block grant funds, including information on any proposed federal changes in the block grant funding, and identify specific areas where an appropriation from the state general fund is requested to replace reduced social services block grant funds.

SECTION 25. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES PROGRAMS - PROGRAM EFFICIENCIES - APPROPRIATE USE OF FEDERAL FUNDS - REPORTS TO THE LEGISLATIVE COUNCIL. It is the intent of the legislative assembly that the department of human services review departmental program funding issues during the 1999-2000 interim, including the appropriateness of maximizing the use of federal funds, the opportunities to reduce general fund program expenditures, the appropriate methods to provide detailed justification prior to the expansion of programs, the appropriateness of the state replacing reductions in federal funds with state resources, the coordination of programs to avoid duplication in program delivery, and the cost/benefit of programs. The department of human services shall report its findings and recommendations as a result of reviewing these issues to the legislative council, or an appropriate committee of the legislative council during the 1999-2000 interim.

SECTION 26. LEGISLATIVE INTENT - NURSING HOME LIMITATIONS - BUDGET SECTION APPROVAL. It is the intent of the legislative assembly that the department of human services not reduce the nursing home limitations for direct, other direct, and indirect cost categories from the levels anticipated in the executive budget and contained in section 1 of this Act during the biennium beginning July 1, 1999, and ending June 30, 2001, unless receiving prior budget section approval.

SECTION 27. LEGISLATIVE INTENT - WAGE INCREASES FOR DIRECT CONTACT AND PROFESSIONAL STAFF OF COMMUNITY DEVELOPMENTAL DISABILITIES PROVIDER AGENCIES. It is the intent of the legislative assembly that funding increases provided community developmental disabilities provider agencies in subdivision 2 of section 1 of this Act specifically for salaries and wages adjustments be allocated by the department of human services specifically to the salaries and wages line item for the individual provider agencies and those funds be used only for that purpose by the provider agencies.

SECTION 28. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICE CENTER SERVICES. The legislative council shall consider studying during the 1999-2000 interim the services provided by human service centers, including the appropriateness of and justification for continuing human service center programs, the cost/benefit of

human service programs, methods for evaluating the effectiveness and outcomes of human service center programs, and the need to establish priorities relating to human service center programs.

SECTION 29. LEGISLATIVE COUNCIL STUDY - NURSING HOME REGULATIONS - IMPACT ON COST OF CARE. The legislative council shall consider studying during the 1999-2000 interim the state and federal regulations relating to nursing homes, the impact of those regulations on the cost of care at North Dakota nursing homes, and state options for reducing regulations and the related reductions in cost of care.

SECTION 30. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION. The legislative council shall consider studying during the 1999-2000 interim the appropriateness of the state continuing rate equalization for private pay and public pay residents in nursing homes, including the fiscal impact on private pay and public pay residents of the repeal of rate equalization.

SECTION 31. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the feasibility and desirability of collocating the developmental center and the state hospital at one location and the feasibility and desirability of transferring additional buildings on the state hospital grounds to the department of corrections and rehabilitation."

Page 11, after line 6, insert:

"SECTION 34. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - NETWORK TECHNICAL SUPPORT. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, and federal funds of \$50,000 to the department of human services for the purpose of providing network technical support to county social service boards, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 35. CONTINGENT APPROPRIATION - TRAUMATIC BRAIN-INJURED FACILITY. There is hereby appropriated a total of \$200,000, including \$140,000 of federal funds and \$60,000 from the general fund in the state treasury, not otherwise appropriated, or so much of the funds as may be necessary, for the biennium beginning July 1, 1999, and ending June 30, 2001. This money may be spent by the department of human services only if additional beds for traumatic brain-injured persons are established in western North Dakota and after receiving emergency commission and budget section approval.

SECTION 36. APPROPRIATION - EMPLOYEE POSITION FUNDING. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$550,000, or so much of the sum as may be necessary, to the department of human services and its various divisions for the purpose of funding salaries and wages where vacancies are less than estimated, for the biennium beginning July 1, 1999, and ending June 30, 2001. The department of human services may allocate, as necessary, the funding to the various subdivisions contained in section 1 of this Act.

SECTION 37. APPROPRIATION - EMPLOYEE POSITION FUNDING - AVAILABLE SPECIAL FUNDS. There is hereby appropriated up to \$1,000,000, or so much of the sum as may be necessary, from special funds derived from federal funds and other income, to the department of human services and its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, to the extent funds become available, to be used if necessary to replace general fund reductions included in section 1 of this Act relating to vacant employee positions. The department of human services may allocate, as necessary, the funding to the various subdivisions contained in section 1 of this Act.

SECTION 38. TRANSFER APPROPRIATION AUTHORITY - ANTICIPATED VACANT EMPLOYEE POSITION REDUCTION. The department of human services may transfer appropriation authority up to a total amount of \$2,500,000 within the subdivisions in section 1 of this Act to accommodate reductions in funding made related to anticipated vacant employee positions, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 39. CONTINGENT GENERAL FUND APPROPRIATION - SPED PROGRAM. The estimated income line item in subdivision 3 of section 1 of this bill

includes \$4,262,410 from special funds derived from the health care trust fund created pursuant to Senate Bill No. 2168. In the event that moneys in the health care trust fund are less than anticipated resulting in a reduction of funds available for the SPED program there is hereby appropriated up to \$4,262,410, or so much of the funds as may be necessary, from the general fund in the state treasury, not otherwise appropriated, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 40. NORTH DAKOTA TOBACCO SETTLEMENT TRUST FUND.

The amount of \$1,120,000, or so much of the sum as may be necessary, as appropriated in the grants - medical assistance line item in section 1 of this Act, may be expended by the department of human services from the North Dakota tobacco settlement trust fund established pursuant to House Bill No. 1475, for the purpose of providing matching funds for the children's health insurance program, for the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 11, after line 8, insert:

"SECTION 42. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2000.

SECTION 43. EXPIRATION DATE. Sections 8 and 12 of this Act are effective through June 30, 2001, and after that date are ineffective."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment makes the following changes:

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 1 - Management and Councils - Engrossed SB 2012	123.60	\$55,310,518	\$14,496,791	\$40,813,727
Proposed Changes:				
Correct Senate amendments - Proper line items for computer projects				
Transfer 8 technology support FTE from human service centers	8.00	777,738	701,767	75,971
Reduce funding for CCWIPS computer project by one-third		(481,333)	(240,667)	(240,666)
Reduce operating expenses by 1 percent (37 percent general fund)		(383,593)	(141,929)	(241,664)
Reduce operating expenses - Office supplies (37 percent general fund)		(150,000)	(55,500)	(94,500)
Reduce equipment by 10 percent (55 percent general fund)		(198,078)	(108,943)	(89,135)
Remove funding for MMIS decision support project manager	(1.00)	(77,850)	(42,818)	(35,032)
Remove funding for project manager	(1.00)	(77,850)	(42,818)	(35,032)
Remove funding for technical support help desk	(1.00)	(70,420)	(38,731)	(31,689)
Remove funding for 2 unidentified new computer-related FTE positions	(2.00)	(113,333)	(62,333)	(51,000)
Proposed changes to Subdivision 1	3.00	(774,719)	(31,972)	(742,747)
PROPOSED AMOUNT SUBDIVISION 1	126.60	\$54,535,799	\$14,464,819	\$40,070,980

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 2 - Economic Assistance - Engrossed SB 2012	111.80	\$818,700,935	\$199,957,378	\$618,743,557
Proposed Changes:				
Remove funding for welfare fraud units added by Senate		(562,412)	(212,729)	(349,683)
Add additional funding for Indian counties - Also related statutory changes to provide a total of \$1,776,420		118,564	118,564	
Reduce funding for basic care and reduce general fund by "retained" funds saved		(288,322)	(288,322)	
Reduce funding to provide a 2 percent operating margin for basic care and passthrough of property costs		(61,678)	(61,678)	
Medical assistance grants:				
Drugs - Allow one-half of reprojected increase - Allow a total of \$49,304,267		2,100,000	630,000	1,470,000
Physicians - Reflect reprojected decrease - Allow a total of \$37,420,671		(755,021)	(226,506)	(528,515)
Outpatient hospital - Allow 30 percent of reprojected increase - Allow a total of \$33,671,184		600,000	180,000	420,000
Indian Health Service - Allow reprojected increase - Allow a total of \$14,269,180		453,551		453,551
Dental - Allow reprojected decrease - Allow a total of \$9,888,492		(59,519)	(17,856)	(41,663)
Premiums Social Security - Allow reprojected decrease - Allow a total of \$4,687,464		(255,352)	(76,606)	(178,746)
Rural health clinics - Reflect reprojected decrease - Allow \$4,021,989		(98,850)	(29,655)	(69,195)
Treatment services - Children in private facilities - Reduce to \$5,400,000		(1,350,665)	(405,200)	(945,465)
Durable medical equipment - Reduce to \$4,199,096		(400,000)	(120,000)	(280,000)
Home health services - Increase to \$4,034,500		350,000	105,000	245,000
Health maintenance organization premiums - Reduce to allow reprojected of \$3,028,860		(54,828)	(16,449)	(38,379)
Optometric services - Reduce to \$1,512,318 - 1997-99 projected level		(129,984)	(38,995)	(90,989)
Qualified Medicaid beneficiary premiums - Reduce to allow reprojected of \$1,757,315		(21,786)	(6,536)	(15,250)
Speech and hearing services - Reduce to allow reprojected of \$1,625,667		(236,152)	(70,846)	(165,306)
Refugee assistance - Increase to allow reprojected of \$1,512,348		81,828		81,828
Hospice services - Reduce to allow reprojected of \$1,719,019		(238,223)	(71,467)	(166,756)
Psychological services - Reduce to allow \$700,383		(38,649)	(11,595)	(27,054)

Ambulance services - Increase to allow \$1,100,000		156,932	47,080	109,852
Targeted case management - Pregnant women and infants - Reduce to \$104,904		(300,000)	(90,000)	(210,000)
Special low income Medicare beneficiary premiums - Reduce to \$550,000		(87,168)	(26,150)	(61,018)
Chiropractic services - Reduce to \$382,749		(29,733)	(8,920)	(20,813)
Group health insurance premiums - Reduce to \$324,840		(15,264)	(4,579)	(10,685)
Reduce operating funding for the Medicaid division		(75,000)	(21,750)	(53,250)
Long-term care - Rebase on 96 data - Reflect updated CPI(2.0/2.2) and DRI		(2,707,342)	(812,203)	(1,895,139)
Long-term care - Reduce number of beds - 100		(6,048,000)	(1,814,400)	(4,233,600)
Targeted case management remove Senate addition, transfer \$273,677 to SPED		(994,000)	(273,677)	(720,323)
CHIP to allow 200 percent of poverty level		5,394,000		5,394,000
CHIP program fund administrative costs		330,000	69,300	260,700
Medical assistance/developmental disabilities grants: Reduce DD grants - Leave federal funds		(650,000)	(650,000)	
Reduce DD grants - Allow 36 cents per hour @ 27.5 fringe benefits		(1,222,731)	(408,906)	(813,825)
Reduce DD grants - Adjust from 30 to 27.5 fringe benefits on base grants		(2,139,167)	(699,783)	(1,439,384)
Reduce general fund increase special funds to reflect parent contributions			(500,000)	500,000
Proposed changes to Subdivision 2		<u>(9,234,971)</u>	<u>(5,814,864)</u>	<u>(3,420,107)</u>
PROPOSED AMOUNT SUBDIVISION 2	111.80	\$809,465,964	\$194,142,514	\$615,323,450

DESCRIPTION	FTE CHANGE	FUNDING		
		TOTAL	GENERAL FUND	OTHER FUNDS
Subdivision 3 - Program and Policy - Engrossed SB 2012	118.70	\$148,996,805	\$43,371,518	\$105,625,287
Proposed Changes:				
Use additional available TANF dollars to replace general fund dollars in excess of maintenance of effort requirements - Funding source change			(1,115,851)	1,115,851
Aging services changes:				
Reduce funding for senior mill levy match to \$1,050,000		(212,945)	(212,945)	
Restore Senate transfer to Subdivision 2 to SPED		273,677	273,677	
Recognize SPED funding from SB 2168, contingent general fund appropriation			(4,262,410)	4,262,410
Reduce funding for operating - General reduction		(50,000)	(26,500)	(23,500)
Add funding for adult protective services - Pilot project one region		75,000	75,000	
Children and family services changes:				
Reduce funding for foster care grants - Residential child care facility to 4.5%		(288,313)	(172,855)	(115,458)
Reduce funding for foster care grants - Family home care to 2.25%		(49,140)	(22,010)	(27,130)
Reduce funding for foster care grants - Subsidized adoption to 2.5%		(13,806)	(5,358)	(8,448)
Adjust line items for Senate reduction for multicounty child protection assessment (operating expenses should be increased and grants reduced if not restored)				
Reduce funding for foster care grants - Savings from additional therapeutic beds		(419,180)	(185,662)	(233,518)
Reduce funding for early childhood grants		(561,000)	(561,000)	
Add additional funding for Adoption and Safe Families Act:				
Background checks - Administrative staff	0.50	26,656	13,328	13,328
Court costs - Operating		650,000	325,000	325,000
Guardianship grants		(66,533)	(104,703)	38,170
Family focus grants transfer from operating, add \$19,458 of special funds		19,458		19,458
Review teams - Operating		20,371	5,088	15,283
Mental health services changes:				
Remove increased funding for compulsive gambling		(50,000)	(50,000)	
Substance abuse services changes:				
Reduce funding for operating - General reduction		(15,000)	(15,000)	
Developmental disabilities services changes:				
Reduce funding for operating - Assist computer project for providers		(653,000)	(394,494)	(258,506)
Reduce funding for operating - General reduction		(42,500)	(14,450)	(28,050)
Vocational rehabilitation services changes:				
Reduce funding for operating - General reduction		(2,250)	(2,250)	
Reduce funding for grants - Extended services		<u>(30,000)</u>	<u>(30,000)</u>	
Proposed changes to Subdivision 3	<u>0.50</u>	<u>(1,388,505)</u>	<u>(6,483,395)</u>	<u>5,094,890</u>
PROPOSED AMOUNT SUBDIVISION 3	119.20	\$147,608,300	\$36,888,123	\$110,720,177
Subdivision 4 - Human Service Centers and Institutions - Engrossed SB 2012	1,918.50	\$192,922,246	\$93,312,146	\$99,610,100
Proposed Changes:				
Transfer 8 technology support FTE to Information Services Division includes \$493 of capital improvements for Southeast HSC	(8.00)	(777,738)	(701,767)	(75,971)
Northeast Human Service Center - Other changes:				
Restore funding for Harvest Homes services removed by Senate		150,000	67,000	83,000
Remove funding additional advisory council meetings - OAR 301		(7,709)	(7,044)	(665)
Delay funding for CD adolescent treatment facility 3 months - OAR 204		(128,934)	(128,934)	
Delay State Hospital alternative by 6 months and reduce by one-fourth - OAR 209 General fund savings are from Title XX funding available from reduction	(3.50)	(479,934)	(329,943)	(149,991)
Recognize funding available from Title XX funding nurse FTE removed - OAR 210			(17,127)	17,127
Remove funding for targeted case management - OAR 217	(2.00)	(235,781)	(168,639)	(67,142)
Remove funding for DD case manager - OAR 227	(0.50)	(41,462)	(30,694)	(10,768)
Reduce funding for SMI work activity - Operating - OAR 234		(20,000)	(20,000)	
Reduce funding for operating - Telecommunications - OAR 292		(26,040)	(23,793)	(2,247)
Reduce funding for operating - Training - OAR 293		(13,930)	(13,930)	
Reduce funding for operating - Rhinelander project OAR 311		(63,636)	(63,636)	
Reduce funding for operating - General reduction		(65,000)	(29,250)	(35,750)
Reduce funding for grants - General reduction		(54,327)	(54,327)	
Northwest Human Service Center changes:				
Reduce funding for salaries - Information proc.II - OAR 283	(1.00)	(48,604)	(43,896)	(4,708)
Reduce funding for salaries - Psychologist II - OAR 247	(1.00)	(66,818)	(66,818)	
Reduce funding for operating - OAR 294 and 286		(27,650)	(27,650)	
Reduce funding for operating - General reduction		(22,350)	(12,292)	(10,058)

Reduce funding for grants - General reduction		(10,000)	(10,000)	
North Central Human Service Center changes:				
Reduce funding for salaries - Social worker II - Position 2057	(0.30)	(16,520)	(3,259)	(13,261)
Reduce funding for operating - Rhinelander project		(60,721)	(60,721)	
Reduce funding for operating - General reduction		(26,000)	(13,040)	(12,960)
Reduce funding for equipment - General reduction		(1,000)	(1,000)	
Reduce funding for grants - General reduction		(65,000)	(65,000)	
Lake Region Human Service Center changes:				
Remove funding for HSPA II - Position 0172	(1.00)	(103,981)	(94,623)	(9,358)
Remove funding for administrative secretary III - Position 0281	(1.00)	(42,368)	(38,555)	(3,813)
Funded as operating				
Remove funding for social worker III - Position 0961	(1.00)	(69,174)	(33,674)	(35,500)
Remove FTE authorization for psychologist III -	(1.00)			
Funded as operating				
Reduce funding for operating - General reduction		(29,050)	(16,340)	(12,710)
Reduce funding for equipment - General reduction		(1,950)	(1,950)	
Reduce funding for grants - General reduction		(12,500)	(12,500)	
Southeast Human Service Center changes:				
Change funding for salaries - Sexual abuse			(35,673)	35,673
treatment social worker				
Reduce funding for operating - Rhinelander project		(36,500)	(36,500)	
Reduce funding for operating - General reduction		(55,000)	(20,200)	(34,800)
Reduce funding for equipment - General reduction		(5,000)	(5,000)	
Reduce funding for grants - General reduction		(60,000)	(60,000)	
South Central Human Service Center changes:				
Remove funding for SMI case manager - OAR 235	(1.00)	(70,915)	(70,915)	
Reduce funding for operating - OAR 251		(40,265)	(35,957)	(4,308)
Reduce funding for operating - Work activity OAR 236		(22,579)	(22,579)	
Reduce funding for operating - General reduction		(22,000)	(12,100)	(9,900)
West Central Human Service Center changes:				
Reduce funding for grants - Peer youth contract - SED - OAR 241		(10,800)	(10,800)	
Reduce funding for grants - Partnership evaluation		(40,000)	(40,000)	
component - OAR 252				
Reduce funding for grants - Contracted case mgmt -		(70,000)	(70,000)	
Penitentiary - OAR 302				
Reduce funding for grants - Contracted case mgmt -		(24,745)	(24,745)	
SMI - OAR 237				
Reduce funding for grants - Reduce Dacotah Foundation		(17,500)	(17,500)	
inflation - OAR 273				
Reduce funding for operating - General reduction		(22,000)	(9,240)	(12,760)
Reduce funding for grants - General reduction		(75,000)	(75,000)	
Badlands Human Service Center changes:				
Reduce funding for grants - Respite care contract - OAR 249		(10,000)	(10,000)	
Reduce funding for operating - General reduction		(15,000)	(7,350)	(7,650)
State Hospital changes:				
Reduce funding for salaries - Unspecified		(250,000)	(250,000)	
Reduce funding for operating - Travel		(50,000)	(50,000)	
Reduce funding for operating - Utilities		(87,842)	(87,842)	
Reduce funding for operating - Postage		(6,533)	(6,533)	
Reduce funding for operating - Lease/rental equipment		(3,095)	(3,095)	
Reduce funding for operating - Professional development		(35,000)	(35,000)	
Reduce funding for operating - Professional services		(100,000)	(100,000)	
Reduce funding for operating - Professional		(15,000)	(15,000)	
supplies and materials				
Reduce funding for equipment - Office equipment		(10,000)	(10,000)	
and furniture				
Add a section providing for an interim Legislative				
Council study of the feasibility of collocating the				
State Hospital and Developmental Center at one location				
and the feasibility of transferring additional buildings				
on the State Hospital grounds to the Department of				
Corrections and Rehabilitation				
Developmental Center changes:				
Reduce funding for operating - Travel		(30,000)	(9,000)	(21,000)
Reduce funding for operating - Utilities		(50,000)	(15,000)	(35,000)
Reduce funding for operating - Lease/rental equipment		(25,000)	(7,500)	(17,500)
Reduce funding for operating - Operating fees and services		(50,000)	(15,000)	(35,000)
Reduce funding for operating - Repairs		(13,050)	(3,915)	(9,135)
Reduce funding for operating - Professional services		(100,000)	(30,000)	(70,000)
Reduce funding for operating - Office supplies		(3,000)	(900)	(2,100)
Reduce funding for operating - Printing		(20,000)	(6,000)	(14,000)
Reduce funding for operating - Food and clothing		(125,825)	(37,747)	(88,078)
Reduce funding for operating - Medical, dental, and optical		(62,499)	(18,750)	(43,749)
Reduce funding for operating - Buildings, grounds, and vehicle		(37,743)	(11,323)	(26,420)
maintenance supplies				
Reduce funding for operating - Miscellaneous supplies		(55,379)	(16,614)	(38,765)
Proposed changes to Subdivision 4	(21.30)	(\$4,095,447)	(\$3,316,180)	(\$779,267)
PROPOSED AMOUNT SUBDIVISION 4	1,897.20	\$188,826,799	\$89,995,966	\$98,830,833
New section - Network technical support		\$100,000	\$50,000	\$50,000
New section - Salaries and wages restoration		\$1,550,000	\$550,000	\$1,000,000
		TOTAL	GENERAL	OTHER
TOTAL DEPARTMENT OF HUMAN SERVICES - EXECUTIVE BUDGET		\$1,215,667,318	\$355,165,387	\$860,501,931
SENATE CHANGES		263,186	(4,027,554)	4,290,740
ENGROSSED SENATE BILL NO. 2012		\$1,215,930,504	\$351,137,833	\$864,792,671
HOUSE CHANGES		(13,843,642)	(15,046,411)	1,202,769
PROPOSED SENATE BILL NO. 2012		\$1,202,086,862	\$336,091,422	\$865,995,440

In addition these amendments include:

A contingency appropriation section traumatic brain injured \$200,000 of which \$60,000 is from the general fund.

A contingency appropriation section SPED program of \$4,262,410 from the general fund.

- Adds Section 11 to make the statutory changes related to state assistance for Indian counties by making up to 15 percent of social service block grant funds available for calendar year 2000 and up to 7.5 percent for calendar year 2001. In addition, \$118,564 from the general fund is added to provide a total of \$1,776,420 from the general fund for the 1999-2001 biennium.
- Adds Sections 8 and 12 to provide a moratorium on residential child care and treatment facilities through June 30, 2001.
- Provides legislative intent that the Department of Human Services provide in the 2001-03 biennium budget process information regarding the use of social services block grant moneys including any pending reductions and any Department of Human Services requests for moneys from the state general fund to replace reductions in the social services block grant funding; regarding use of federal funds; and regarding nursing home limitations regarding wage increases for the developmentally disabled providers.
- Provides for an interim Legislative Council study of the feasibility and desirability of collocating the Developmental Center and the State Hospital at one location and the feasibility and desirability of transferring additional buildings on the State Hospital grounds to the Department of Corrections and Rehabilitation, of human service center services, of nursing home regulations, and of nursing home rate equalization.
- Provides an appropriation for network technical support of \$100,000, \$50,000 from the general fund.
- Provides a contingent appropriation of \$200,000, \$60,000 from the general fund for traumatic brain injury beds.
- Provides a contingent general fund appropriation of \$4,262,410 for the SPED program.
- Provides a general fund appropriation of \$550,000 and a special fund appropriation of \$1,000,000 to reduce the impact of the reductions for vacant employee positions and allows the department of human services to transfer up to \$2,500,000 among subdivisions to accommodate vacant employee positions.
- Provides additional funding of \$5,394,000 in total, \$4,273,000 of federal funds and \$1,121,000 from the tobacco trust fund to expand CHIP to 200 percent of the poverty level.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MAJORITY of your committee (Reps. Dalrymple, Byerly, Bernstein, Carlson, Carlisle, Delzer, Lloyd, Monson, Poolman, Svedjan, Timm, Tollefson, Wentz (refused to sign), Boehm) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "library" insert "; to create and enact a new section to chapter 15-59 of the North Dakota Century Code, relating to a special education critical needs board"

Page 1, line 3, replace "section" with "sections" and after "15-21-02" insert "and 15-21-03"

Page 1, line 4, replace "section" with "sections" and after "15.1-02-02" insert "and 15.1-02-03"

Page 1, line 5, replace "; to repeal section 2 of Senate Bill No. 2381, as" with "and the appointment of a deputy superintendent; and to amend and reenact sections 15-59-06, 15-59-06.2, and 15-59-07 of the North Dakota Century Code, relating to special education."

Page 1, remove line 6

Page 1, line 17, replace "11,706,777" with "10,977,979"

Page 1, line 18, replace "10,107,032" with "9,709,720"

Page 1, line 19, replace "591,036" with "491,036"

Page 1, line 20, replace "481,006,259" with "479,006,259"

Page 1, line 23, replace "44,600,000" with "46,100,000"

Page 1, after line 23, insert:

"Grants - Special education critical needs board 500,000"

Page 1, line 24, replace "132,695,566" with "143,318,663"

Page 2, line 4, replace "737,951,556" with "747,348,543"

Page 2, line 5, replace "199,247,247" with "204,206,898"

Page 2, line 6, replace "538,704,309" with "543,141,645"

Page 2, line 21, replace "136,327" with "36,327"

Page 2, line 22, replace "5,502,539" with "5,402,539"

Page 2, line 24, replace "4,845,170" with "4,745,170"

Page 3, line 1, replace "863,400" with "950,276"

Page 3, line 2, replace "2,328,405" with "2,241,529"

Page 3, line 3, replace "548,840,795" with "553,091,255"

Page 3, line 4, replace "202,361,835" with "207,408,362"

Page 3, line 5, replace "751,202,630" with "760,499,617"

Page 3, line 25, replace "Ten" with "Eleven" and remove "five hundred thousand"

Page 4, line 14, replace "\$1,000,000" with "\$6,000,000"

Page 4, line 20, after the period insert "Prior to the distribution of grants pursuant to this section, the educational telecommunications council may establish a minimum grant amount of \$5,000. A school district is not eligible to receive a grant under this section unless the administrative office of the district is connected to the internet."

Page 4, remove lines 21 through 25

Page 6, after line 15, insert:

SECTION 17. CREDENTIALING PROCESS FOR SPECIAL EDUCATION TEACHERS. The superintendent of public instruction may not change the credentialing process for special education teachers as it is in effect on March 1, 1999, without first convening a meeting to include representatives of the North Dakota council of education leaders, the council of exceptional children, the North Dakota education association, and the North Dakota school boards association. The purpose of the meeting is to receive comments regarding the proposed changes, the applicability of the proposed changes, including the scheduling, the manner of implementation, associated costs, and the short-term and long-term effects of the proposed changes. If, within thirty days after the date of the meeting, members of any two representative groups present at the meeting object in writing to the proposed changes, the superintendent may not implement the change prior to July 1, 2001.

SECTION 18. SCHOOL DISTRICT FINANCIAL DATA - REPORTING - REQUIREMENTS. The superintendent of public instruction shall develop standardized reporting forms, in both hard copy and electronic format, prescribing the manner in which school district superintendents and business managers must account for and report financial data. The superintendent of public instruction shall report to the interim education finance committee of the legislative council regarding the content of the reports and specific actions taken to account for transfers from school district general funds, to eliminate or reduce variations in the reporting of data, and to ensure that the financial data is available in a form that allows for accurate and consistent comparisons.

SECTION 19. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS TESTING. The department of public instruction shall participate in the national assessment of educational progress (NAEP) testing program for the 1999-2001 biennium.

SECTION 20. FEDERAL FUNDING FOR SPECIAL EDUCATION URGED.

The fifty-sixth legislative assembly urges the Congress of the United States and the President to increase federal funding for special education to achieve, within the next three years, the statutory goal of the federal government providing funding for special education students equal to 40 percent of the national average per student educational expenditure. The secretary of state shall send copies of this section to the President, the members of the North Dakota congressional delegation, the national conference of state legislatures, and the state superintendent of public instruction."

Page 7, replace lines 3 through 7 with:

"SECTION 23. AMENDMENT. If House Bill No. 1034 does not become effective, Section 15-21-03 of the North Dakota Century Code is amended and reenacted as follows:

15-21-03. Appointment of deputy—Assistant assistant - Clerks. The superintendent of public instruction may appoint a ~~deputy for whose official acts he is responsible, and~~ an assistant whose duty it is to assist the superintendent of public instruction in visiting schools and institutes, to attend school officers' meetings, and to perform such other duties as may be required of him. The superintendent also may employ such clerks as are necessary in carrying on the work of the department.

SECTION 24. AMENDMENT. Section 15.1-02-03 of the North Dakota Century Code as created by House Bill No. 1034, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

15.1-02-03. Appointment of deputy assistant - Employment of personnel. The superintendent of public instruction may appoint a ~~deputy superintendent and~~ an assistant. The superintendent may also hire personnel or contract with other persons to perform the work of the department of public instruction.

SECTION 25. AMENDMENT. Section 15-59-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-59-06. State cooperation in special education. Students with disabilities who are receiving special education services must be deemed to be regularly enrolled in the school district of residence and must be included in the determination of payments from the state foundation aid program whether or not the students regularly attend school in the school or school district receiving the payments. A prorated state foundation aid payment for a student to attend a public school program for students with disabilities, approved by the superintendent of public instruction, may be made if the individualized education program for the student is written during the last quarter of the school term and specifically requires that the student attend a summer special education program. In the case of a student who is enrolled in a nonpublic school but who attends a public school special education program, payments must be made to the appropriate public school district for the portion of a normal schoolday the student participates in special education. For the purposes of this section, a normal schoolday consists of six hours. The amount the school district is required to expend must be reduced proportionately if a student attends the school for less than an entire year. If any school district within a special education unit has a student with disabilities who, in the opinion of the student's multidisciplinary team, is unable to attend the public schools in the special education unit because of a disability, the school district shall contract with an in-state public school located outside the special education unit in which the student is a legal resident, if the school will accept the student and has proper services for the student's education. No school district may enter into a contract with any in-state public school for the education of any student because of a disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the in-state public school as part of the cost of educating the student an amount for the school year equal to ~~two and one-half~~ three times the state average per student elementary or high school cost, depending upon the student's level of enrollment. The payment may not exceed the actual per student cost incurred by the in-state public school. The school district's liability must be reduced proportionately if the student attends the in-state public school for less than an entire year. The superintendent of public instruction, upon notification by the admitting district and upon verification by the superintendent that tuition payments are due the admitting district and are unpaid, shall withhold ~~all payments from the state for foundation aid payments~~ to the district of residence an amount equal to the unpaid tuition until the tuition due that amount has been paid. The transportation must be furnished as provided by rules of

the superintendent of public instruction. The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits ~~must be paid from funds~~, within the limits of legislative appropriations for that purpose.

SECTION 26. AMENDMENT. Section 15-59-06.2 of the North Dakota Century Code is amended and reenacted as follows:

15-59-06.2. Cost of special education - Liability of school district. If allowable costs for special education and related services for a child with disabilities in a special education program, as determined by the superintendent of public instruction, exceed the reimbursement provided by the state, the school district is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of ~~two and one-half~~ three times the state average ~~per pupil~~ per student elementary or high school cost, depending on whether the enrollment would be in a grade or high school department, and twenty percent of all remaining costs. The ~~two and one-half~~ three times amount includes the amount the school district is required to pay in section 15-59-06. The state is liable for ~~one hundred~~ eighty percent of the remainder of the cost of education and related services for each such student with disabilities within the limits of legislative appropriations for that purpose.

SECTION 27. AMENDMENT. Section 15-59-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-59-07. Contracts for students with disabilities to attend private or out-of-state public schools. If any school district in this state has a student with disabilities who in the opinion of the student's multidisciplinary team is unable to attend the public schools in the district because of a physical or mental disability or because of a learning disability, the school district shall contract with any accredited private nonsectarian nonprofit corporation within or outside the state or an out-of-state public school which has proper facilities for the education of the student, if there is no public school in the state which has the necessary services and which will accept the student. No school district may enter a contract with any private nonsectarian nonprofit corporation or out-of-state public school for the education of any student having a physical or learning disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the private nonsectarian nonprofit corporation or the out-of-state public school as part of the cost of educating the student an amount for the school year equal to ~~two and one-half~~ three times the state average per student elementary or high school cost, depending upon the student's level of enrollment and twenty percent of all remaining costs. The payment may not exceed the actual per student cost incurred by the private nonsectarian nonprofit corporation or out-of-state public school. The transportation must be furnished and reimbursed as provided by rules of the superintendent of public instruction. ~~The remainder of the actual cost of educating the student with disabilities not covered by other payments or credits must be paid from funds appropriated by the legislative assembly for special education notwithstanding limitations cited in section 15-59-06.~~ The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating each student with disabilities not covered by other payments or credit within the limits of legislative appropriations for that purpose. The district of residence is entitled to the per student foundation payment.

SECTION 28. A new section to chapter 15-59 of the North Dakota Century Code is created and enacted as follows:

Special education critical needs board - Creation - Membership - Purpose.

1. The superintendent of public instruction shall establish a special education critical needs board, as provided in this section.
2. The superintendent shall establish five regions of the state based on student population in each region.
3. The critical needs board consists of seven members: five members representing special education units, one from each of the five regions as established under subsection 2; one member representing the department of public instruction; and one member representing the disability services division of the department of human services.

4. Members of the critical needs board are eligible to receive reimbursement from the department of public instruction for necessary travel and expenses incurred in attending meetings of the board equal to the amounts provided for state officials pursuant to sections 44-08-04 and 54-06-09.
5. The superintendent shall adopt rules and develop application forms for the distribution of funds appropriated by the legislative assembly for distribution by the critical needs board to school districts.
6. School districts that meet the following criteria are eligible to receive funding from the critical needs board:
 - a. The school district has incurred extraordinary expenditures, as defined by the superintendent, to educate students with disabilities.
 - b. The extraordinary expenditures incurred by the school district have had a significant impact on the district's ability to provide education services, resulting in critical needs.
 - c. The district is not eligible to receive funding to address critical needs through any other state program for the support of special education services."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$11,825,653	\$11,706,777	(\$728,798)	\$10,977,979
Operating expenses	10,457,032	10,107,032	(397,312)	9,709,720
Equipment	591,036	591,036	(100,000)	491,036
Grants - Foundation aid and transportation	475,906,259	481,006,259	(2,000,000)	479,006,259
Grants - Revenue supplement	3,100,000	3,100,000		3,100,000
Grants - Tuition apportionment	53,528,217	53,528,217		53,528,217
Grants - Special education	44,600,000	44,600,000	1,500,000	46,100,000
Grants - Special education critical needs			500,000	500,000
Grants - Other grants	132,007,469	132,695,566	10,623,097	143,318,663
Geographic education	50,000	50,000		50,000
SENDIT network	546,669	546,669		546,669
National board certification	398,000	20,000		20,000
Total all funds	\$733,010,335	\$737,951,556	\$9,396,987	\$747,348,543
Less special funds	193,694,209	199,247,247	4,959,651	204,206,898
General fund	\$539,316,126	\$538,704,309	\$4,437,336	\$543,141,645
FTE	137.95	137.95	(8.00)	129.95

Detail of House changes to the Senate version:

	REMOVE POSITIONS	REDUCE OPERATING EXPENSES	REDUCE EQUIPMENT	REMOVE FUNDING FOR SALARY MARKET INCREASE FOR DEPUTY SUPERINTENDENT	REDUCE TEMPORARY SALARIES	TRANSFER FUNDING FROM FOUNDATION AID TO TECHNOLOGY GRANTS
Salaries and wages	(\$656,946) ¹			(\$2,676) ⁴	(\$69,176) ⁵	
Operating expenses		(\$300,000) ²				
Equipment			(\$100,000) ³			
Grants - Foundation aid and transportation						(\$5,000,000) ⁶
Grants - Revenue supplement						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Special education critical needs						
Grants - Other grants						5,000,000 ⁶
Geographic education						
SENDIT network						
National board certification						
Total all funds	(\$656,946)	(\$300,000)	(\$100,000)	(\$2,676)	(\$69,176)	\$0
Less special funds	(426,418)		(74,000)		(65,716)	
General fund	(\$230,528)	(\$300,000)	(\$26,000)	(\$2,676)	(\$3,460)	\$0
FTE	(8.00)	0.00	0.00	0.00	0.00	0.00

REDUCE

	INCREASE FOUNDATION AID	INCREASE SPECIAL EDUCATION GRANTS	ADD FEDERAL FUNDS FOR CLASS SIZE REDUCTION GRANTS	OPERATING EXPENSES FOR EARLY CHILDHOOD TRACKING	TOTAL HOUSE CHANGES
Salaries and wages					(\$728,798)
Operating expenses				(\$97,312) ¹⁰	(397,312)
Equipment					(100,000)
Grants - Foundation aid and transportation	\$3,000,000 ⁷				(2,000,000)
Grants - Revenue supplement					
Grants - Tuition apportionment					
Grants - Special education		\$1,500,000 ⁸			1,500,000
Grants - Special education critical needs		500,000 ⁸			500,000
Grants - Other grants			\$5,623,097 ⁹		10,623,097
Geographic education					
SENDIT network					
National board certification					
Total all funds	\$3,000,000	\$2,000,000	\$5,623,097	(\$97,312)	\$9,396,987
Less special funds			<u>5,623,097</u>	<u>(97,312)</u>	<u>4,959,651</u>
General fund	\$3,000,000	\$2,000,000	\$0	\$0	\$4,437,336
FTE	0.00	0.00	0.00	0.00	(8.00)

House changes narrative:

This amendment makes the following changes:

- Provides in Section 6 of the engrossed bill that the Educational Telecommunications Council may establish a minimum grant amount of \$5,000 and provides that for a school district to be eligible to receive a grant, the school district administrative office must be connected to the Internet.
- Removes Section 7, which provided legislative intent regarding the use of grants distributed by the Educational Telecommunications Council.
- Adds a new Section 17, which provides that prior to implementing any change in the credentialing process for special education teachers, the Superintendent of Public Instruction must obtain the approval of certain education-related groups.
- Adds a new Section 18, which directs the Superintendent of Public Instruction to develop standardized reporting forms for the reporting of financial data.
- Adds a new Section 19, which directs the department to participate in the national assessment of educational progress (NAEP) testing program.
- Adds a new Section 20, which urges Congress and the President to provide funding for special education students equal to 40 percent of the national average educational expenditure per student.
- Amends North Dakota Century Code (NDCC) Sections 15-21-03 and 15.1-02-03 to remove statutory references to the Deputy Superintendent of Public Instruction.
- Amends NDCC Sections 15-59-06, 15-59-06.2, and 15-59-07 to increase the amount school districts are liable to pay for extraordinary special education costs from 2.5 times the state average educational expenditure per student to three times the state average, plus 20 percent of any additional costs.
- Creates a new section to NDCC Chapter 15-59 to create a special education critical needs board.
- Increases from \$10.5 million to \$11 million (Section 5 of the bill) the amount of the special education appropriation to be used for reimbursing districts for special education contract costs. This results in a corresponding \$500,000 decrease in the amount to be distributed on a per student basis pursuant to subsection 3 of Section 5. Section 5, as amended, provides that the \$46.1 million special education grants line item will be distributed as follows:
 - \$11 million for special education contract costs.
 - \$400,000 for gifted and talented programs.
 - \$34.7 million for per student special education payments.

- Removes Section 20 of the engrossed bill, which repealed Section 2 of Senate Bill No. 2381. Section 2 of Senate Bill No. 2381 provided a \$400,000 appropriation for payments to schools with students with limited English proficiency. However, this section of Senate Bill No. 2381 was removed by amendments recommended by the House Education Committee and adopted by the House. The foundation aid line item of Senate Bill No. 2013 contains the required \$400,000 appropriation for these payments.

1 Removes the following FTE positions:

POSITION TITLE	POSITION NUMBER	FTE	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS
Teacher IV	0006	1.00		\$81,619	\$81,619
Deputy superintendent	3100	1.00	\$122,816		122,816
Training officer I	3205	1.00		59,718	59,718
Assistant director	3401	1.00	107,712		107,712
Teacher I	3830	1.00		73,354	73,354
Special education regional coordinator	3834	1.00		95,992	95,992
Teacher I	9999-2	1.00		67,449	67,449
Computer operator II	9999-3	1.00		48,286	48,286
Total		8.00	\$230,528	\$426,418	\$656,946

- 2 Removes \$300,000 from the general fund for operating expenses for travel (\$100,000) and professional services (\$200,000).
- 3 Removes \$100,000 for equipment, reducing the line item from \$591,036 to \$491,036. The reduction is allocated between the general fund (\$26,000) and other funds (\$74,000) based on the funding source split of the line item in the engrossed bill.
- 4 Removes general fund spending authority of \$2,676 added by the Senate for a salary market increase for the deputy superintendent position. This amendment removes the deputy superintendent position.
- 5 Reduces salaries and wages by \$69,176 (\$3,460 from the general fund, \$65,716 from other funds) for temporary salaries, reducing the total amount for temporary salaries from \$319,176 to \$250,000.
- 6 Transfers \$5 million of general fund appropriation authority from the foundation aid line item to the other grants line item to restore the \$6 million included in the executive recommendation for grants to schools for technology or teacher professional development.
- 7 Increases the foundation aid line item by \$3 million to reflect the per student payment amounts of \$2,134 and \$2,240 provided in Senate Bill No. 2162 for the 1999-2001 biennium.
- 8 Increases funding for special education grants by \$2 million, \$500,000 of which is for grants to be distributed by the special education critical needs board.
- 9 Increases the other grants line item by \$5,623,097 to reflect federal funds anticipated to be available for grants to schools to reduce class size.
- 10 Reduces the operating expenses line item by \$97,312 to reflect an anticipated reduction in federal funds available for the early childhood tracking program. The total amount provided for the program is reduced from \$847,312 to \$750,000.

DEPARTMENT 252 - SCHOOL FOR THE DEAF

House - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,347,330	\$4,275,930		\$4,275,930
Operating expenses	1,015,458	1,015,458		1,015,458
Equipment	39,224	74,824		74,824
Capital improvements	<u>136,327</u>	<u>136,327</u>	<u>(\$100,000)</u>	<u>36,327</u>
Total all funds	\$5,538,339	\$5,502,539	(\$100,000)	\$5,402,539
Less special funds	<u>658,177</u>	<u>657,369</u>		<u>657,369</u>
General fund	\$4,880,162	\$4,845,170	(\$100,000)	\$4,745,170
FTE	53.93	53.93	0.00	53.93

Detail of House changes to the Senate version includes:

	REMOVE FUNDING FOR INDEPENDENT LIVING COTTAGE	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Capital improvements	(\$100,000)	(\$100,000)
Total all funds	(\$100,000)	(\$100,000)
Less special funds		
General fund	(\$100,000)	(\$100,000)

DEPARTMENT 253 - SCHOOL FOR THE BLIND

House - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,415,801	\$2,391,456		\$2,391,456
Operating expenses	678,059	678,059		678,059
Equipment	70,500	70,500		70,500
Capital improvements	51,790	51,790		51,790
Total all funds	\$3,216,150	\$3,191,805	\$0	\$3,191,805
Less special funds	863,400	863,400	86,876	950,276
General fund	\$2,352,750	\$2,328,405	(\$86,876)	\$2,241,529
FTE	28.00	28.00	0.00	28.00

Detail of House changes to the Senate version:

	FUNDING SOURCE CHANGE	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$0	\$0
Less special funds	86,876 ¹	86,876
General fund	(\$86,876) ¹	(\$86,876)

House changes narrative:

¹ Increases other funds spending authority and decreases general fund spending authority by \$86,876 anticipated to be available from the School for the Blind fund. The funding source switch includes the following:

- \$34,076 for operating expenses.
- \$52,800 for temporary salaries relating to the compensatory skills training program.

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gulleon, Hoffner, Huether, Kerzman, Nichols) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS.

Page 1, line 2, after "library" insert "; to create and enact a new section to chapter 15-59 of the North Dakota Century Code, relating to a special education critical needs board"

Page 1, line 3, replace "section" with "sections" and after "15-21-02" insert "and 15-21-03"

Page 1, line 4, replace "section" with "sections" and after "15.1-02-02" insert "and 15.1-02-03"

Page 1, line 5, replace "; to repeal section 2 of Senate Bill No. 2381, as" with "and the appointment of a deputy superintendent; to amend and reenact sections 15-59-06, 15-59-06.2, 15-59-07, 57-38-29, and subsection 2 of section 57-38-30.3 of the North Dakota Century Code, relating to special education and the income tax rate for individuals, estates, and trusts; and to provide an effective date."

Page 1, remove line 6

Page 1, line 17, replace "11,706,777" with "10,977,979"

Page 1, line 18, replace "10,107,032" with "9,709,720"

Page 1, line 19, replace "591,036" with "491,036"

Page 1, line 20, replace "481,006,259" with "506,006,259"

Page 1, line 23, replace "44,600,000" with "46,100,000"

Page 1, after line 23, insert:

"Grants - Special education critical needs board 500,000"

Page 1, line 24, replace "132,695,566" with "143,318,663"

Page 2, line 4, replace "737,951,556" with "774,348,543"

Page 2, line 5, replace "199,247,247" with "204,206,898"

Page 2, line 6, replace "538,704,309" with "570,141,645"

Page 2, line 21, replace "136,327" with "36,327"

Page 2, line 22, replace "5,502,539" with "5,402,539"

Page 2, line 24, replace "4,845,170" with "4,745,170"

Page 3, line 1, replace "863,400" with "950,276"

Page 3, line 2, replace "2,328,405" with "2,241,529"

Page 3, line 3, replace "548,840,795" with "580,091,255"

Page 3, line 4, replace "202,361,835" with "207,408,362"

Page 3, line 5, replace "751,202,630" with "787,499,617"

Page 3, line 25, replace "Ten" with "Eleven" and remove "five hundred thousand"

Page 4, line 14, replace "\$1,000,000" with "\$6,000,000"

Page 4, line 20, after the period insert "Prior to the distribution of grants pursuant to this section, the educational telecommunications council may establish a minimum grant amount of \$5,000. A school district is not eligible to receive a grant under this section unless the administrative office of the district is connected to the internet."

Page 4, remove lines 21 through 25

Page 6, after line 15, insert:

"SECTION 17. CREDENTIALING PROCESS FOR SPECIAL EDUCATION TEACHERS. The superintendent of public instruction may not change the credentialing process for special education teachers as it is in effect on March 1, 1999, without first convening a meeting to include representatives of the North Dakota council of education leaders, the council of exceptional children, the North Dakota education association, and the North Dakota school boards association. The purpose of the meeting is to receive comments regarding the proposed changes, the applicability of the proposed changes, including the scheduling, the manner of implementation, associated costs, and the short-term and long-term effects of the proposed changes. If, within thirty days after the date of the meeting, members of any two representative groups present at the meeting object in writing to the proposed changes, the superintendent may not implement the change prior to July 1, 2001.

SECTION 18. SCHOOL DISTRICT FINANCIAL DATA - REPORTING - REQUIREMENTS. The superintendent of public instruction shall develop standardized reporting forms, in both hard copy and electronic format, prescribing the manner in which school district superintendents and business managers must account for and report financial data. The superintendent of public instruction shall report to the interim

education finance committee of the legislative council regarding the content of the reports and specific actions taken to account for transfers from school district general funds, to eliminate or reduce variations in the reporting of data, and to ensure that the financial data is available in a form that allows for accurate and consistent comparisons.

SECTION 19. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS TESTING. The department of public instruction shall participate in the national assessment of educational progress (NAEP) testing program for the 1999-2001 biennium.

SECTION 20. FEDERAL FUNDING FOR SPECIAL EDUCATION URGED. The fifty-sixth legislative assembly urges the Congress of the United States and the President to increase federal funding for special education to achieve, within the next three years, the statutory goal of the federal government providing funding for special education students equal to 40 percent of the national average per student educational expenditure. The secretary of state shall send copies of this section to the President, the members of the North Dakota congressional delegation, the national conference of state legislatures, and the state superintendent of public instruction."

Page 7, replace lines 3 through 7 with:

"SECTION 23. AMENDMENT. If House Bill No. 1034 does not become effective, Section 15-21-03 of the North Dakota Century Code is amended and reenacted as follows:

15-21-03. Appointment of ~~deputy~~ Assistant assistant - Clerks. The superintendent of public instruction may appoint a ~~deputy for whose official acts he is responsible, and~~ an assistant whose duty it is to assist the superintendent of public instruction in visiting schools and institutes, to attend school officers' meetings, and to perform such other duties as may be required of him. The superintendent also may employ such clerks as are necessary in carrying on the work of the department.

SECTION 24. AMENDMENT. Section 15.1-02-03 of the North Dakota Century Code as created by House Bill No. 1034, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

15.1-02-03. Appointment of deputy assistant - Employment of personnel. The superintendent of public instruction may appoint a ~~deputy superintendent and~~ an assistant. The superintendent may also hire personnel or contract with other persons to perform the work of the department of public instruction.

SECTION 25. AMENDMENT. Section 15-59-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-59-06. State cooperation in special education. Students with disabilities who are receiving special education services must be deemed to be regularly enrolled in the school district of residence and must be included in the determination of payments from the state foundation aid program whether or not the students regularly attend school in the school or school district receiving the payments. A prorated state foundation aid payment for a student to attend a public school program for students with disabilities, approved by the superintendent of public instruction, may be made if the individualized education program for the student is written during the last quarter of the school term and specifically requires that the student attend a summer special education program. In the case of a student who is enrolled in a nonpublic school but who attends a public school special education program, payments must be made to the appropriate public school district for the portion of a normal schoolday the student participates in special education. For the purposes of this section, a normal schoolday consists of six hours. The amount the school district is required to expend must be reduced proportionately if a student attends the school for less than an entire year. If any school district within a special education unit has a student with disabilities who, in the opinion of the student's multidisciplinary team, is unable to attend the public schools in the special education unit because of a disability, the school district shall contract with an in-state public school located outside the special education unit in which the student is a legal resident, if the school will accept the student and has proper services for the student's education. No school district may enter into a contract with any in-state public school for the education of any student because of a disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the in-state public school as part of the cost of educating the student an amount for the school year equal to ~~two and one-half~~ three times the state average

per student elementary or high school cost, depending upon the student's level of enrollment. The payment may not exceed the actual per student cost incurred by the in-state public school. The school district's liability must be reduced proportionately if the student attends the in-state public school for less than an entire year. The superintendent of public instruction, upon notification by the admitting district and upon verification by the superintendent that tuition payments are due the admitting district and are unpaid, shall withhold ~~all payments~~ from the state for foundation aid payments to the district of residence an amount equal to the unpaid tuition until ~~the tuition due that amount~~ has been paid. The transportation must be furnished as provided by rules of the superintendent of public instruction. The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits ~~must be paid from funds~~, within the limits of legislative appropriations for that purpose.

SECTION 26. AMENDMENT. Section 15-59-06.2 of the North Dakota Century Code is amended and reenacted as follows:

15-59-06.2. Cost of special education - Liability of school district. If allowable costs for special education and related services for a child with disabilities in a special education program, as determined by the superintendent of public instruction, exceed the reimbursement provided by the state, the school district is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of ~~two and one-half~~ three times the state average per pupil per student elementary or high school cost, depending on whether the enrollment would be in a grade or high school department, and twenty percent of all remaining costs. The ~~two and one-half~~ three times amount includes the amount the school district is required to pay in section 15-59-06. The state is liable for ~~one hundred eighty~~ eighty percent of the remainder of the cost of education and related services for each such student with disabilities within the limits of legislative appropriations for that purpose.

SECTION 27. AMENDMENT. Section 15-59-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-59-07. Contracts for students with disabilities to attend private or out-of-state public schools. If any school district in this state has a student with disabilities who in the opinion of the student's multidisciplinary team is unable to attend the public schools in the district because of a physical or mental disability or because of a learning disability, the school district shall contract with any accredited private nonsectarian nonprofit corporation within or outside the state or an out-of-state public school which has proper facilities for the education of the student, if there is no public school in the state which has the necessary services and which will accept the student. No school district may enter a contract with any private nonsectarian nonprofit corporation or out-of-state public school for the education of any student having a physical or learning disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the private nonsectarian nonprofit corporation or the out-of-state public school as part of the cost of educating the student an amount for the school year equal to ~~two and one-half~~ three times the state average per student elementary or high school cost, depending upon the student's level of enrollment and twenty percent of all remaining costs. The payment may not exceed the actual per student cost incurred by the private nonsectarian nonprofit corporation or out-of-state public school. The transportation must be furnished and reimbursed as provided by rules of the superintendent of public instruction. ~~The remainder of the actual cost of educating the student with disabilities not covered by other payments or credits must be paid from funds appropriated by the legislative assembly for special education notwithstanding limitations cited in section 15-59-06.~~ The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating each student with disabilities not covered by other payments or credit within the limits of legislative appropriations for that purpose. The district of residence is entitled to the per student foundation payment.

SECTION 28. A new section to chapter 15-59 of the North Dakota Century Code is created and enacted as follows:

Special education critical needs board - Creation - Membership - Purpose.

1. The superintendent of public instruction shall establish a special education critical needs board, as provided in this section.

2. The superintendent shall establish five regions of the state based on student population in each region.
3. The critical needs board consists of seven members: five members representing special education units, one from each of the five regions as established under subsection 2; one member representing the department of public instruction; and one member representing the disability services division of the department of human services.
4. Members of the critical needs board are eligible to receive reimbursement from the department of public instruction for necessary travel and expenses incurred in attending meetings of the board equal to the amounts provided for state officials pursuant to sections 44-08-04 and 54-06-09.
5. The superintendent shall adopt rules and develop application forms for the distribution of funds appropriated by the legislative assembly for distribution by the critical needs board to school districts.
6. School districts that meet the following criteria are eligible to receive funding from the critical needs board:
 - a. The school district has incurred extraordinary expenditures, as defined by the superintendent, to educate students with disabilities.
 - b. The extraordinary expenditures incurred by the school district have had a significant impact on the district's ability to provide education services, resulting in critical needs.
 - c. The district is not eligible to receive funding to address critical needs through any other state program for the support of special education services.

SECTION 29. AMENDMENT. Section 57-38-29 of the North Dakota Century Code is amended and reenacted as follows:

57-38-29. Rate of tax on individuals. A tax is hereby imposed upon every individual, to be levied, collected, and paid annually with respect to the taxable income of such individual as defined in this chapter, computed at the following rates:

1. On taxable income not in excess of three thousand dollars, a tax of two and ~~sixty-seven~~ eighty-six hundredths percent.
2. On taxable income in excess of three thousand dollars and not in excess of five thousand dollars, a tax of four and twenty-nine hundredths percent.
3. On taxable income in excess of five thousand dollars and not in excess of eight thousand dollars, a tax of five and ~~thirty-three~~ seventy-one hundredths percent.
4. On taxable income in excess of eight thousand dollars and not in excess of fifteen thousand dollars, a tax of ~~six~~ seven and ~~sixty-seven~~ fifteen hundredths percent.
5. On taxable income in excess of fifteen thousand dollars and not in excess of twenty-five thousand dollars, a tax of eight and fifty-seven hundredths percent.
6. On taxable income in excess of twenty-five thousand dollars and not in excess of thirty-five thousand dollars, a tax of ~~nine and thirty-three~~ hundredths ten percent.
7. On taxable income in excess of thirty-five thousand dollars and not in excess of fifty thousand dollars, a tax of ~~ten~~ eleven and ~~sixty-seven~~ forty-three hundredths percent.
8. On taxable income in excess of fifty thousand dollars, a tax of twelve and eighty-six hundredths percent.

SECTION 30. AMENDMENT. Subsection 2 of section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. This tax is ~~fourteen~~ fifteen percent of the individual's, estate's, or trust's adjusted federal income tax liability for the taxable year.

SECTION 31. EFFECTIVE DATE. Sections 29 and 30 of this Act are effective for taxable years beginning after December 31, 1998."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$11,825,653	\$11,706,777	(\$728,798)	\$10,977,979
Operating expenses	10,457,032	10,107,032	(397,312)	9,709,720
Equipment	591,036	591,036	(100,000)	491,036
Grants - Foundation aid and transportation	475,906,259	481,006,259	(25,000,000)	506,006,259
Grants - Revenue supplement	3,100,000	3,100,000		3,100,000
Grants - Tuition apportionment	53,528,217	53,528,217		53,528,217
Grants - Special education	44,600,000	44,600,000	1,500,000	46,100,000
Grants - Special education critical needs			500,000	500,000
Grants - Other grants	132,007,469	132,695,566	10,623,097	143,318,663
Geographic education	50,000	50,000		50,000
SENDIT network	546,669	546,669		546,669
National board certification	398,000	20,000		20,000
Total all funds	\$733,010,335	\$737,951,556	\$36,396,987	\$774,348,543
Less special funds	193,694,209	199,247,247	4,959,651	204,206,898
General fund	\$539,316,126	\$538,704,309	\$31,437,336	\$570,141,645
FTE	137.95	137.95	(8.00)	129.95

Detail of House changes to the Senate version:

	REMOVE POSITIONS	REDUCE OPERATING EXPENSES	REDUCE EQUIPMENT	REMOVE FUNDING FOR SALARY MARKET INCREASE FOR DEPUTY SUPERINTENDENT	REDUCE TEMPORARY SALARIES	TRANSFER FUNDING FROM FOUNDATION AID TO TECHNOLOGY GRANTS
Salaries and wages	(\$656,946) ¹			(\$2,676) ⁴	(\$69,176) ⁵	
Operating expenses		(\$300,000) ²				
Equipment			(\$100,000) ³			
Grants - Foundation aid and transportation						(\$5,000,000) ⁶
Grants - Revenue supplement						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Special education critical needs						
Grants - Other grants						5,000,000 ⁶
Geographic education						
SENDIT network						
National board certification						
Total all funds	(\$656,946)	(\$300,000)	(\$100,000)	(\$2,676)	(\$69,176)	\$0
Less special funds	(426,418)		(74,000)		(65,716)	
General fund	(\$230,528)	(\$300,000)	(\$26,000)	(\$2,676)	(\$3,460)	\$0
FTE	(8.00)	0.00	0.00	0.00	0.00	0.00

	INCREASE FOUNDATION AID	INCREASE SPECIAL EDUCATION GRANTS	ADD FEDERAL FUNDS FOR CLASS SIZE REDUCTION GRANTS	REDUCE OPERATING EXPENSES FOR EARLY CHILDHOOD TRACKING	INCREASE FOUNDATION AID FOR INCOME TAX INCREASE	TOTAL HOUSE CHANGES
Salaries and wages						(\$728,798)
Operating expenses				(\$97,312) ¹⁰		(397,312)
Equipment					(\$100,000)	
Grants - Foundation aid and transportation	\$3,000,000 ⁷				27,000,000 ¹¹	(25,000,000)
Grants - Revenue supplement						
Grants - Tuition apportionment						
Grants - Special education		\$1,500,000 ⁸				1,500,000
Grants - Special education critical needs		500,000 ⁸				500,000
Grants - Other grants			\$5,623,097 ⁹			10,623,097
Geographic education						
SENDIT network						
National board certification						
Total all funds	\$3,000,000	\$2,000,000	\$5,623,097	(\$97,312)	\$27,000,000	\$36,396,987

Less special funds			<u>5,623,097</u>	<u>(97,312)</u>		<u>4,959,651</u>
General fund	\$3,000,000	\$2,000,000	\$0	\$0	\$27,000,000	\$31,437,336
FTE	0.00	0.00	0.00	0.00	(8.00)	

House changes narrative:

This amendment makes the following changes:

- Provides in Section 6 of the engrossed bill that the Educational Telecommunications Council may establish a minimum grant amount of \$5,000 and provides that for a school district to be eligible to receive a grant, the school district administrative office must be connected to the Internet.
- Removes Section 7, which provided legislative intent regarding the use of grants distributed by the Educational Telecommunications Council.
- Adds a new Section 17, which provides that prior to implementing any change in the credentialing process for special education teachers, the Superintendent of Public Instruction must obtain the approval of certain education-related groups.
- Adds a new Section 18, which directs the Superintendent of Public Instruction to develop standardized reporting forms for the reporting of financial data.
- Adds a new Section 19, which directs the department to participate in the national assessment of educational progress (NAEP) testing program.
- Adds a new Section 20, which urges Congress and the President to provide funding for special education students equal to 40 percent of the national average educational expenditure per student.
- Amends North Dakota Century Code (NDCC) Sections 15-21-03 and 15.1-02-03 to remove statutory references to the Deputy Superintendent of Public Instruction.
- Amends NDCC Sections 15-59-06, 15-59-06.2, and 15-59-07 to increase the amount school districts are liable to pay for extraordinary special education costs from 2.5 times the state average educational expenditure per student to three times the state average, plus 20 percent of any additional costs.
- Creates a new section to NDCC Chapter 15-59 to create a special education critical needs board.
- Amends NDCC Section 57-38-29 and subsection 2 of Section 57-38-30.3 to increase state income tax rates to generate \$27 million of additional general fund revenue for the 1999-2001 biennium.
- Increases from \$10.5 million to \$11 million (Section 5 of the bill) the amount of the special education appropriation to be used for reimbursing districts for special education contract costs. This results in a corresponding \$500,000 decrease in the amount to be distributed on a per student basis pursuant to subsection 3 of Section 5. Section 5, as amended, provides that the \$46.1 million special education grants line item will be distributed as follows:
 - \$11 million for special education contract costs.
 - \$400,000 for gifted and talented programs.
 - \$34.7 million for per student special education payments.
- Removes Section 20 of the engrossed bill, which repealed Section 2 of Senate Bill No. 2381. Section 2 of Senate Bill No. 2381 provided a \$400,000 appropriation for payments to schools with students with limited English proficiency. However, this section of Senate Bill No. 2381 was removed by amendments recommended by the House Education Committee and adopted by the House. The foundation aid line item of Senate Bill No. 2013 contains the required \$400,000 appropriation for these payments.

¹ Removes the following FTE positions:

POSITION TITLE	POSITION NUMBER	FTE	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS
Teacher IV	0006	1.00		\$81,619	\$81,619
Deputy superintendent	3100	1.00	\$122,816		122,816
Training officer I	3205	1.00		59,718	59,718
Assistant director	3401	1.00	107,712		107,712
Teacher I	3830	1.00		73,354	73,354
Special education regional coordinator	3834	1.00		95,992	95,992
Teacher I	9999-2	1.00		67,449	67,449
Computer operator II	9999-3	1.00		48,286	48,286
Total		8.00	\$230,528	\$426,418	\$656,946

- 2 Removes \$300,000 from the general fund for operating expenses for travel (\$100,000) and professional services (\$200,000).
- 3 Removes \$100,000 for equipment, reducing the line item from \$591,036 to \$491,036. The reduction is allocated between the general fund (\$26,000) and other funds (\$74,000) based on the funding source split of the line item in the engrossed bill.
- 4 Removes general fund spending authority of \$2,676 added by the Senate for a salary market increase for the deputy superintendent position. This amendment removes the deputy superintendent position.
- 5 Reduces salaries and wages by \$69,176 (\$3,460 from the general fund, \$65,716 from other funds) for temporary salaries, reducing the total amount for temporary salaries from \$319,176 to \$250,000.
- 6 Transfers \$5 million of general fund appropriation authority from the foundation aid line item to the other grants line item to restore the \$6 million included in the executive recommendation for grants to schools for technology or teacher professional development.
- 7 Increases the foundation aid line item by \$3 million to reflect the per student payment amounts of \$2,134 and \$2,240 provided in Senate Bill No. 2162 for the 1999-2001 biennium.
- 8 Increases funding for special education grants by \$2 million, \$500,000 of which is for grants to be distributed by the special education critical needs board.
- 9 Increases the other grants line item by \$5,623,097 to reflect federal funds anticipated to be available for grants to schools to reduce class size.
- 10 Reduces the operating expenses line item by \$97,312 to reflect an anticipated reduction in federal funds available for the early childhood tracking program. The total amount provided for the program is reduced from \$847,312 to \$750,000.
- 11 Increases the foundation aid line item by \$27 million, the amount of additional general fund revenue anticipated to be available through increasing state income tax rates, as provided in Sections 29 and 30.

DEPARTMENT 252 - SCHOOL FOR THE DEAF

House - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,347,330	\$4,275,930		\$4,275,930
Operating expenses	1,015,458	1,015,458		1,015,458
Equipment	39,224	74,824		74,824
Capital improvements	<u>136,327</u>	<u>136,327</u>	(\$100,000)	<u>36,327</u>
Total all funds	\$5,538,339	\$5,502,539	(\$100,000)	\$5,402,539
Less special funds	<u>658,177</u>	<u>657,369</u>		<u>657,369</u>
General fund	\$4,880,162	\$4,845,170	(\$100,000)	\$4,745,170
FTE	53.93	53.93	0.00	53.93

Detail of House changes to the Senate version includes:

REMOVE FUNDING FOR INDEPENDENT LIVING COTTAGE	TOTAL HOUSE CHANGES
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Salaries and wages
Operating expenses

Equipment		
Capital improvements	(\$100,000)	(\$100,000)
Total all funds	(\$100,000)	(\$100,000)
Less special funds		
General fund	(\$100,000)	(\$100,000)

DEPARTMENT 253 - SCHOOL FOR THE BLIND

House - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,415,801	\$2,391,456		\$2,391,456
Operating expenses	678,059	678,059		678,059
Equipment	70,500	70,500		70,500
Capital improvements	<u>51,790</u>	<u>51,790</u>		<u>51,790</u>
Total all funds	\$3,216,150	\$3,191,805	\$0	\$3,191,805
Less special funds	<u>863,400</u>	<u>863,400</u>	<u>86,876</u>	<u>950,276</u>
General fund	\$2,352,750	\$2,328,405	(\$86,876)	\$2,241,529
FTE	28.00	28.00	0.00	28.00

Detail of House changes to the Senate version:

	FUNDING SOURCE CHANGE	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$0	\$0
Less special funds	<u>86,876</u> ¹	<u>86,876</u>
General fund	(\$86,876) ¹	(\$86,876)

House changes narrative:

¹ Increases other funds spending authority and decreases general fund spending authority by \$86,876 anticipated to be available from the School for the Blind fund. The funding source switch includes the following:

- \$34,076 for operating expenses.
- \$52,800 for temporary salaries relating to the compensatory skills training program.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE

SB 2015, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MAJORITY of your committee (Reps. Dalrymple, Byerly, Bernstein, Boehm, Carlson, Carlisle (refused to sign), Delzer (refused to sign), Lloyd, Monson, Svedjan, Timm, Tollefson, Wentz (refused to sign)) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, remove "to provide an"

Page 1, line 3, remove "appropriation for defraying the expenses of the department of human services;"

Page 1, line 6, after "adjustments" insert ", federal program termination, and performance-based program budgeting"

Page 1, line 8, after the semicolon insert "to provide for a legislative council study;"

Page 1, line 9, remove the second "and", after "reenact" insert "subsection 2 of", and after "section" insert "32-12.2-07, sections 54-16-04.1, 54-16-04.2, and"

Page 1, line 10, after "to" insert "the risk management fund, emergency commission approvals, and" and after "fund" insert "; to provide for retroactive application; and to declare an emergency"

Page 1, line 20, replace "3,082,026" with "2,982,026"

Page 1, line 22, replace "8,174,694" with "7,854,694"

Page 1, line 24, replace "Intergovernmental assistance" with "Division of community services"

Page 2, line 3, replace "64,739,956" with "64,319,956"

Page 2, line 5, replace "18,651,713" with "18,231,713"

Page 2, line 8, replace "45,709,295" with "49,409,295"

Page 2, line 9, replace "45,709,295" with "49,409,295"

Page 2, line 24, replace "23,283,562" with "22,813,562"

Page 2, line 25, replace "97,136,860" with "100,786,860"

Page 2, line 26, replace "120,420,422" with "123,600,422"

Page 2, replace lines 27 through 30 with:

"SECTION 2. APPROPRIATION. There is hereby appropriated from federal funds \$6,000,000, or so much of the sum as may be necessary, to the director of the office of management and budget for the division of community services for flood-related disasters and the weatherization of low-income homes, for the period beginning with the effective date of this Act and ending June 30, 1999."

Page 3, remove lines 1 through 9

Page 3, line 26, replace "\$950,000" with "\$500,000"

Page 5, line 2, remove "receive its 1999-2001 employee compensation in a lump sum amount of \$971,035 to"

Page 5, line 7, replace "700,000" with "600,000"

Page 5, line 14, after "transfer" insert "special funds to the general fund as follows:"

Page 5, replace line 15 with:

"Lands and minerals trust fund	\$3,000,000
Public employees life insurance program	1,500,000
Financial institutions regulatory fund	200,000"

Page 5, line 21, replace "\$60,000,000" with "\$50,000,000"

Page 6, line 2, after "budget" insert "and"

Page 6, line 4, after the period insert "Transfers made under the provisions of this section may not be made before July 1, 2000, and may only be made to the extent that the transfer is necessary to achieve a projected June 30, 2001, general fund balance of \$10,000,000."

Page 6, line 6, replace "\$23,000,000" with "\$40,000,000"

Page 6, after line 9, insert:

"SECTION 13. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1999-2001 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a

reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

SECTION 14. PROGRAM-BASED PERFORMANCE BUDGETING. The office of management and budget shall discontinue the program-based performance budgeting pilot project when preparing the 2001-03 biennium budget documents and accompanying appropriation bills. Budget documents for the 2001-03 biennium are to be based on the standard line items and are not to contain agency performance measures.

SECTION 15. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE INCENTIVE PILOT PROGRAMS. The legislative council shall consider studying the establishment of agency performance incentive pilot programs. If conducted, the study should address how agencies could develop, implement, administer, maintain, and evaluate performance incentive pilot programs. The study should also address the development of personnel policies and procedure manuals and how pay raises which may not be across the board are to be awarded as a reward and incentive for superior performance and the length of time they may be in effect. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 16. AMENDMENT. Subsection 2 of section 32-12.2-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The state risk management fund is a special fund in the state treasury administered by the director of the office of management and budget. The fund is a revolving fund consisting of contributions from participating state entities, all payments received by the fund from its activities, and other appropriations by the legislative assembly. The state investment board shall invest the fund in accordance with chapter 21-10. Funds received as contributions from state entities, all other payments deposited in the fund, and interest and income received on investments are hereby appropriated on a continuing basis for the purposes of the fund. Section 54-44.1-11 does not apply to the fund.

SECTION 17. AMENDMENT. Section 54-16-04.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.1. May authorize acceptance and disbursement of federal funds.

The emergency commission with the advice and counsel of the executive office of the budget may authorize the state treasurer to receive any moneys not appropriated by the legislative assembly which are made available by any federal agency and which the legislative assembly has not indicated an intent to reject. The emergency commission may authorize pass-through federal funds from one state agency to another state agency. The emergency commission, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from the date such moneys become available until June thirtieth following the next regular legislative session. The expenditures must be consistent with state law and with the terms of the grant and the program may not commit the legislative assembly for matching funds in the future unless the program has first been approved by the legislative assembly. A state officer may not expend funds received from the federal government which have not been specifically appropriated by the legislative assembly except as provided in this chapter. A state officer shall submit an expenditure plan with a request for approval under this section of expenditure of federal funds combined with or as part of a block grant for a new or existing program.

SECTION 18. AMENDMENT. Section 54-16-04.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.2. Commission may authorize acceptance and expenditure of moneys. The emergency commission, upon the advice of the office of management and budget, with approval of the budget section of the legislative council if the amount

under consideration exceeds fifty thousand dollars, may authorize a state officer to receive moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys or the program. The emergency commission may authorize the state officer to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session."

Page 7, after line 2, insert:

"SECTION 21. RETROACTIVE APPLICATION. Section 16 of this Act is effective for all funds received and deposited into the risk management fund on or after July 1, 1997.

SECTION 22. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$3,086,844	\$3,082,026	(\$100,000)	\$2,982,026
Fiscal management	3,998,308	3,875,828		3,875,828
Facility management	8,203,213	8,174,694	(320,000)	7,854,694
Central personnel	1,226,846	1,212,300		1,212,300
Division of community services	42,055,293	42,035,197		42,035,197
Risk management	964,173	959,911		959,911
Statewide compensation plan	5,400,000	5,400,000		5,400,000
Total all funds	\$64,934,677	\$64,739,956	(\$420,000)	\$64,319,956
Less special funds	<u>46,105,926</u>	<u>46,088,243</u>		<u>46,088,243</u>
General fund	\$18,828,751	\$18,651,713	(\$420,000)	\$18,231,713
FTE	122.00	121.00	(0.40)	120.60

Detail of House changes to the Senate version includes:

	REDUCE STATE CONTINGENCIES FUNDING	REMOVE .4 FTE CAPITOL SECURITY POSITION	REMOVE SECURITY SYSTEM HARDWARE AND SOFTWARE FUNDING	REMOVE SECURITY SYSTEM CONTRACTING SERVICES FUNDING	TOTAL HOUSE CHANGES
Administration	(\$100,000) ¹				(\$100,000)
Fiscal management					
Facility management			(\$200,000) ²	(\$120,000) ²	(320,000)
Central personnel					
Division of community services					
Risk management					
Statewide compensation plan					
Total all funds	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$420,000)
Less special funds					
General fund	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$420,000)
FTE	0.00	(0.40) ²	0.00	0.00	(0.40)

¹ Reduces the state contingencies funding by \$100,000, from \$700,000 to \$600,000.

² Removes a .4 FTE and \$320,000 of general fund moneys which was for a new security system in the Capitol.

The amendment also makes the following changes:

- Reduces the fiscal management division's carryover from the 1997-99 biennium by \$450,000, from \$950,000 to \$500,000.

- Adds a new section appropriating \$6,000,000 of federal funds to the Division of Community Services for flood-related disasters (\$3,000,000) and weatherization of low-income homes (\$3,000,000). The amendment also adds a section making the \$6,000,000 appropriation an emergency measure.
- Provides for special fund transfers to the general fund of \$200,000 from the financial institutions regulatory fund and \$1,500,000 from the Public Employees Retirement System life insurance program.
- Reduces Bank of North Dakota transfers to the general fund by \$10,000,000, from \$60,000,000 to \$50,000,000 and increases the contingent transfers by \$17,000,000, from \$23,000,000 to \$40,000,000. The amendment also adds language providing that contingent transfers can be made only after July 1, 2000, and then only to the extent necessary to achieve a June 30, 2001, general fund balance of \$10,000,000.
- Adds a new section providing that if federal funding for a program is terminated during the 1999-2001 biennium, the administering state agency, department, or institution shall terminate the program. It also provides that if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize programs as necessary.
- Adds a new section directing the Office of Management and Budget to discontinue the program-based performance budgeting pilot program.
- Adds a new section providing for a Legislative Council interim study of performance incentive pilot programs.
- Adds a new section clarifying that all deposits into the risk management fund may be spent for the purpose of the fund. The amendment also adds a section making this change retroactive to deposits after July 1, 1997.
- Adds two new sections clarifying which Emergency Commission approvals also need Budget Section approval.

DEPARTMENT 112 - INFORMATION SERVICES DIVISION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Information resource management	<u>\$46,282,960</u>	<u>\$45,709,295</u>	<u>\$3,700,000</u>	<u>\$49,409,295</u>
Total all funds	\$46,282,960	\$45,709,295	\$3,700,000	\$49,409,295
Less special funds	<u>46,082,960</u>	<u>45,709,295</u>	<u>3,700,000</u>	<u>49,409,295</u>
General fund	\$200,000	\$0	\$0	\$0
FTE	170.00	168.00	0.00	168.00

Detail of House changes to the Senate version includes:

	CONTRACT FUNDING FOR DHS MEDICAID/ TANF PROJECT	TOTAL HOUSE CHANGES
Information resource management	<u>\$3,700,000</u>	<u>\$3,700,000</u>
Total all funds	\$3,700,000	\$3,700,000
Less special funds	<u>3,700,000</u>	<u>3,700,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment removes the section appropriating \$100,000, \$50,000 of which was general fund moneys and \$50,000 of special funds, to the Department of Human Services for the purpose of providing network technical support to county social service boards.

REPORT OF STANDING COMMITTEE

SB 2015, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gulleon, Hoffner, Huether, Kerzman, Nichols (refused to sign), Poolman, Carlisle, Wentz) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 3, replace "for defraying the expenses of the department of human services" with "to agencies and institutions of state government"

Page 1, line 6, after "adjustments" insert ", federal program termination, and performance-based program budgeting"

Page 1, line 8, after the semicolon insert "to provide for a legislative council study;"

Page 1, line 9, remove the second "and", after "reenact" insert "subsection 2 of", and after "section" insert "32-12.2-07, sections 54-16-04.1, 54-16-04.2, and"

Page 1, line 10, after "to" insert "the risk management fund, emergency commission approvals, and" and after "fund" insert "; to provide for retroactive application; and to declare an emergency"

Page 1, line 20, replace "3,082,026" with "2,982,026"

Page 1, line 22, replace "8,174,694" with "7,854,694"

Page 1, line 24, replace "Intergovernmental assistance" with "Division of community services"

Page 2, line 3, replace "64,739,956" with "64,319,956"

Page 2, line 5, replace "18,651,713" with "18,231,713"

Page 2, line 8, replace "45,709,295" with "49,409,295"

Page 2, line 9, replace "45,709,295" with "49,409,295"

Page 2, line 24, replace "23,283,562" with "22,813,562"

Page 2, line 25, replace "97,136,860" with "100,786,860"

Page 2, line 26, replace "120,420,422" with "123,600,422"

Page 2, replace lines 27 through 30 with:

"SECTION 2. APPROPRIATION. There is hereby appropriated from federal funds \$6,000,000, or so much of the sum as may be necessary, to the director of the office of management and budget for the division of community services for flood-related disasters and the weatherization of low-income homes, for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 3. APPROPRIATION - ADDITIONAL STATE EMPLOYEE COMPENSATION. The sums hereinafter listed, or so much thereof as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, and from special funds derived from federal funds or other income as indicated to the agencies and institutions of state government named for the purpose of providing additional compensation to employees of the various agencies and institutions for the biennium beginning July 1, 1999, and ending June 30, 2001:

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$24,738		\$24,738
Secretary of state	23,011		23,011
Office of management and budget	101,580	\$23,183	124,763
Information services division		232,830	232,830
State auditor	46,698	22,232	68,930
Central services	5,842	20,346	26,188
State treasurer	7,952		7,952
Attorney general	178,527	26,492	205,019
Tax commissioner	148,810		148,810
Administrative hearings office		8,632	8,632
Legislative council	53,990		53,990
Supreme court	52,064		52,064
Judicial conduct commission	5,667		5,667
District court	180,026	3,902	183,928
Clerk of court	42,400		42,400
Retirement and investment office		19,038	19,038
Public employees retirement system		17,021	17,021

Department of public instruction	50,137	99,160	149,297
North Dakota university system	35,118		35,118
Land department		23,717	23,717
Bismarck state college	193,940		193,940
University of North Dakota - Lake Region	59,016		59,016
University of North Dakota - Williston	70,208		70,208
University of North Dakota	1,330,237		1,330,237
University of North Dakota medical center	900,749		900,749
North Dakota state university	1,212,920	763	1,213,683
North Dakota state college of science	284,049		284,049
Dickinson state university	189,770		189,770
Mayville state university	105,036		105,036
Minot state university	383,481		383,481
Valley City state university	141,147		141,147
Minot state university - Bottineau	46,785		46,785
North Dakota forest service	18,532		18,532
State library	23,552	734	24,286
School for the deaf	51,814	1,093	52,907
School for the blind	32,328		32,328
Board for vocational and technical education	19,823	15,352	35,175
Health department	124,406	221,166	345,572
Veterans home	66,734		66,734
Indian affairs commission	3,637		3,637
Department of veterans affairs	4,889	173	5,062
Children's services coordinating committee		908	908
Department of human services	1,588,393	629,946	2,218,339
Protection and advocacy project	23,348		23,348
Job service		406,010	406,010
Insurance commissioner		56,063	56,063
Industrial commission	71,165	9,724	80,889
Labor commissioner	7,342	1,047	8,389
Public service commission	52,244	8,805	61,049
Aeronautics commission		7,629	7,629
Department of banking and financial institutions		31,222	31,222
Securities commissioner	11,042		11,042
Bank of North Dakota		185,708	185,708
Housing finance agency		38,400	38,400
Highway patrol	223,285	11,936	235,221
State radio	31,205		31,205
Division of emergency management	8,984	12,054	21,038
Department of corrections and rehabilitation	494,678	39,935	534,613
Adjutant general	37,338	97,835	135,173
Department of economic development and finance	38,472	3,196	41,668
Agriculture commissioner	36,373	16,727	53,100
Seed department			
Upper great plains transportation institute	5,816	26,911	32,727
North Dakota state university extension service	211,009	118,986	329,995
Northern crops institute	7,153	4,554	11,707
Main research center	375,408	118,143	493,551
Dickinson research extension center	17,006	102	17,108
Central grasslands research extension center	7,561		7,561
Hettinger research extension center	7,485	2,071	9,556
Langdon research extension center	7,631	930	8,561
North central research extension center	8,739	1,126	9,865
Williston research extension center	8,697	443	9,140
Carrington research extension center	15,176	4,637	19,813
Agronomy seed farm		4,468	4,468
Historical society	53,883		53,883
Council on the arts	4,974		4,974
Game and fish department		156,680	156,680
Department of tourism	10,897		10,897
Department of parks and recreation	39,500	1,680	41,180
Water commission	89,446	13,417	102,863
Department of transportation		1,033,850	1,033,850
Total	\$9,713,863	\$3,780,977	\$13,494,840"

Page 3, remove lines 1 through 9

Page 3, line 26, replace "\$950,000" with "\$500,000"

Page 4, line 25, replace "Each agency appropriation" with "Agency salary funding" and replace "2.0" with "3.0"

Page 5, line 2, remove "receive its 1999-2001 employee compensation in a lump sum amount of \$971,035 to"

Page 5, line 7, replace "700,000" with "600,000"

Page 5, line 14, after "transfer" insert "special funds to the general fund as follows:"

Page 5, replace line 15 with:

"Lands and minerals trust fund	\$3,000,000
Public employees life insurance program	1,500,000
Financial institutions regulatory fund	200,000"

Page 5, line 21, replace "\$60,000,000" with "\$50,000,000"

Page 6, line 2, after "budget" insert "and"

Page 6, line 4, after the period insert "Transfers made under the provisions of this section may not be made before July 1, 2000, and may only be made to the extent that the transfer is necessary to achieve a projected June 30, 2001, general fund balance of \$10,000,000."

Page 6, line 6, replace "\$23,000,000" with "\$40,000,000"

Page 6, after line 9, insert:

"SECTION 14. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1999-2001 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

SECTION 15. PROGRAM-BASED PERFORMANCE BUDGETING. The office of management and budget shall discontinue the program-based performance budgeting pilot project when preparing the 2001-03 biennium budget documents and accompanying appropriation bills. Budget documents for the 2001-03 biennium are to be based on the standard line items and are not to contain agency performance measures.

SECTION 16. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE INCENTIVE PILOT PROGRAMS. The legislative council shall consider studying the establishment of agency performance incentive pilot programs. If conducted, the study should address how agencies could develop, implement, administer, maintain, and evaluate performance incentive pilot programs. The study should also address the development of personnel policies and procedure manuals and how pay raises which may not be across the board are to be awarded as a reward and incentive for superior performance and the length of time they may be in effect. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 17. AMENDMENT. Subsection 2 of section 32-12.2-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The state risk management fund is a special fund in the state treasury administered by the director of the office of management and budget. The fund is a revolving fund consisting of contributions from participating state entities, all payments received by the fund from its activities, and other appropriations by the legislative assembly. The state investment board shall invest the fund in accordance with chapter 21-10. Funds received as contributions from state entities, all other payments deposited in the fund, and interest and income received on investments are hereby appropriated on a continuing basis for the purposes of the fund. Section 54-44.1-11 does not apply to the fund.

SECTION 18. AMENDMENT. Section 54-16-04.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.1. May authorize acceptance and disbursement of federal funds. The emergency commission with the advice and counsel of the executive office of the budget may authorize the state treasurer to receive any moneys not appropriated by the legislative assembly which are made available by any federal agency and which the legislative assembly has not indicated an intent to reject. The emergency commission

may authorize pass-through federal funds from one state agency to another state agency. The emergency commission, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from the date such moneys become available until June thirtieth following the next regular legislative session. The expenditures must be consistent with state law and with the terms of the grant and the program may not commit the legislative assembly for matching funds in the future unless the program has first been approved by the legislative assembly. A state officer may not expend funds received from the federal government which have not been specifically appropriated by the legislative assembly except as provided in this chapter. A state officer shall submit an expenditure plan with a request for approval under this section of expenditure of federal funds combined with or as part of a block grant for a new or existing program.

SECTION 19. AMENDMENT. Section 54-16-04.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.2. Commission may authorize acceptance and expenditure of moneys. The emergency commission, upon the advice of the office of management and budget, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize a state officer to receive moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys or the program. The emergency commission may authorize the state officer to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session."

Page 7, after line 2, insert:

"SECTION 22. RETROACTIVE APPLICATION. Section 17 of this Act is effective for all funds received and deposited into the risk management fund on or after July 1, 1997.

SECTION 23. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$3,086,844	\$3,082,026	(\$100,000)	\$2,982,026
Fiscal management	3,998,308	3,875,828		3,875,828
Facility management	8,203,213	8,174,694	(320,000)	7,854,694
Central personnel	1,226,846	1,212,300		1,212,300
Division of community services	42,055,293	42,035,197		42,035,197
Risk management	964,173	959,911		959,911
Statewide compensation plan	5,400,000	5,400,000		5,400,000
Total all funds	\$64,934,677	\$64,739,956	(\$420,000)	\$64,319,956
Less special funds	<u>46,105,926</u>	<u>46,088,243</u>		<u>46,088,243</u>
General fund	\$18,828,751	\$18,651,713	(\$420,000)	\$18,231,713
FTE	122.00	121.00	(0.40)	120.60

Detail of House changes to the Senate version includes:

	REDUCE STATE CONTINGENCIES FUNDING	REMOVE .4 FTE CAPITOL SECURITY POSITION	REMOVE SECURITY SYSTEM HARDWARE AND SOFTWARE FUNDING	REMOVE SECURITY SYSTEM CONTRACTING SERVICES FUNDING	TOTAL HOUSE CHANGES
Administration	(\$100,000) ¹				(\$100,000)
Fiscal management					
Facility management			(\$200,000) ²	(\$120,000) ²	(320,000)
Central personnel					
Division of community services					
Risk management					
Statewide com-					

pensation plan					
Total all funds	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$420,000)
Less special funds					
General fund	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$420,000)
FTE	0.00	(0.40) ²	0.00	0.00	(0.40)

¹ Reduces the state contingencies funding by \$100,000, from \$700,000 to \$600,000.

² Removes a .4 FTE and \$320,000 of general fund moneys which was for a new security system in the Capitol.

The amendment also makes the following changes:

- Reduces the fiscal management division's carryover from the 1997-99 biennium by \$450,000, from \$950,000 to \$500,000.
- Adds a new section appropriating \$13,494,840, \$9,713,863 of which is from the general fund to state agencies and institutions for providing an additional one percent state employee salary increase in each year of the 1999-2001 biennium. With this change, state employee salary increases are provided at three percent for each year of the biennium. Neither judges nor other elected officials are included in this increase.
- Adds a new section appropriating \$6,000,000 of federal funds to the Division of Community Services for flood-related disasters (\$3,000,000) and weatherization of low-income homes (\$3,000,000). The amendment also adds a section making the \$6,000,000 appropriation an emergency measure.
- Provides for special fund transfers to the general fund of \$200,000 from the financial institutions regulatory fund and \$1,500,000 from the Public Employees Retirement System life insurance program.
- Reduces Bank of North Dakota transfers to the general fund by \$10,000,000, from \$60,000,000 to \$50,000,000 and increases the contingent transfers by \$17,000,000, from \$23,000,000 to \$40,000,000. The amendment also adds language providing that contingent transfers can be made only after July 1, 2000, and then only to the extent necessary to achieve a June 30, 2001, general fund balance of \$10,000,000.
- Adds a new section providing that if federal funding for a program is terminated during the 1999-2001 biennium, the administering state agency, department, or institution shall terminate the program. It also provides that if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize programs as necessary.
- Adds a new section directing the Office of Management and Budget to discontinue the program-based performance budgeting pilot program.
- Adds a new section providing for a Legislative Council interim study of performance incentive pilot programs.
- Adds a new section clarifying that all deposits into the risk management fund may be spent for the purpose of the fund. The amendment also adds a section making this change retroactive to deposits after July 1, 1997.
- Adds two new sections clarifying which Emergency Commission approvals also need Budget Section approval.

DEPARTMENT 112 - INFORMATION SERVICES DIVISION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Information resource management	<u>\$46,282,960</u>	<u>\$45,709,295</u>	<u>\$3,700,000</u>	<u>\$49,409,295</u>
Total all funds	\$46,282,960	\$45,709,295	\$3,700,000	\$49,409,295
Less special funds	<u>46,082,960</u>	<u>45,709,295</u>	<u>3,700,000</u>	<u>49,409,295</u>
General fund	\$200,000	\$0	\$0	\$0

FTE	170.00	168.00	0.00	168.00
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Detail of House changes to the Senate version includes:

	CONTRACT FUNDING FOR DHS MEDICAID/ TANF PROJECT	TOTAL HOUSE CHANGES
Information resource management	<u>\$3,700,000</u>	<u>\$3,700,000</u>
Total all funds	\$3,700,000	\$3,700,000
Less special funds	<u>3,700,000</u>	<u>3,700,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment removes the section appropriating \$100,000, \$50,000 of which was general fund moneys and \$50,000 of special funds, to the Department of Human Services for the purpose of providing network technical support to county social service boards.

REPORT OF STANDING COMMITTEE

SB 2015, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gulletson, Hoffner, Huether, Kerzman, Nichols, Poolman (refused to sign), Monson (refused to sign)) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, remove "to provide an"

Page 1, line 3, remove "appropriation for defraying the expenses of the department of human services;"

Page 1, line 6, after "adjustments" insert ", federal program termination, and performance-based program budgeting"

Page 1, line 8, after the semicolon insert "to provide for a legislative council study;"

Page 1, line 9, remove the second "and", after "reenact" insert "subsection 2 of", and after "section" insert "32-12.2-07, sections 54-16-04.1, 54-16-04.2, and"

Page 1, line 10, after "to" insert "the risk management fund, emergency commission approvals, and" and after "fund" insert "; to provide for retroactive application; and to declare an emergency"

Page 1, line 20, replace "3,082,026" with "2,862,026"

Page 1, line 22, replace "8,174,694" with "7,854,694"

Page 1, line 24, replace "Intergovernmental assistance" with "Division of community services"

Page 2, line 3, replace "64,739,956" with "64,199,956"

Page 2, line 5, replace "18,651,713" with "18,111,713"

Page 2, line 8, replace "45,709,295" with "49,409,295"

Page 2, line 9, replace "45,709,295" with "49,409,295"

Page 2, line 24, replace "23,283,562" with "22,693,562"

Page 2, line 25, replace "97,136,860" with "100,786,860"

Page 2, line 26, replace "120,420,422" with "123,480,422"

Page 2, replace lines 27 through 30 with:

"SECTION 2. APPROPRIATION. There is hereby appropriated from federal funds \$6,000,000, or so much of the sum as may be necessary, to the director of the office of management and budget for the division of community services for

flood-related disasters and the weatherization of low-income homes, for the period beginning with the effective date of this Act and ending June 30, 1999."

Page 3, remove lines 1 through 9

Page 3, line 26, replace "\$950,000" with "\$500,000"

Page 5, line 2, remove "receive its 1999-2001 employee compensation in a lump sum amount of \$971,035 to"

Page 5, line 7, replace "700,000" with "600,000"

Page 5, remove line 12

Page 5, line 14, after "transfer" insert "special funds to the general fund as follows:"

Page 5, replace line 15 with:

"Lands and minerals trust fund	\$3,000,000
Public employees life insurance program	1,500,000
Financial institutions regulatory fund	200,000"

Page 5, line 21, replace "\$60,000,000" with "\$50,000,000"

Page 6, line 2, after "budget" insert "and"

Page 6, line 4, after the period insert "Transfers made under the provisions of this section may not be made before July 1, 2000, and may only be made to the extent that the transfer is necessary to achieve a projected June 30, 2001, general fund balance of \$10,000,000."

Page 6, line 6, replace "\$23,000,000" with "\$40,000,000"

Page 6, after line 9, insert:

"SECTION 13. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1999-2001 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

SECTION 14. PROGRAM-BASED PERFORMANCE BUDGETING. The office of management and budget shall discontinue the program-based performance budgeting pilot project when preparing the 2001-03 biennium budget documents and accompanying appropriation bills. Budget documents for the 2001-03 biennium are to be based on the standard line items and are not to contain agency performance measures.

SECTION 15. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE INCENTIVE PILOT PROGRAMS. The legislative council shall consider studying the establishment of agency performance incentive pilot programs. If conducted, the study should address how agencies could develop, implement, administer, maintain, and evaluate performance incentive pilot programs. The study should also address the development of personnel policies and procedure manuals and how pay raises which may not be across the board are to be awarded as a reward and incentive for superior performance and the length of time they may be in effect. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 16. AMENDMENT. Subsection 2 of section 32-12.2-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The state risk management fund is a special fund in the state treasury administered by the director of the office of management and budget. The fund is a revolving fund consisting of contributions from participating state entities, all payments received by the fund from its activities, and other appropriations by the legislative assembly. The state investment board shall invest the fund in accordance with chapter 21-10. Funds received as contributions from state entities, all other payments deposited in the fund, and interest and income received on investments are hereby appropriated on a continuing basis for the purposes of the fund. Section 54-44.1-11 does not apply to the fund.

SECTION 17. AMENDMENT. Section 54-16-04.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.1. May authorize acceptance and disbursement of federal funds.

The emergency commission with the advice and counsel of the executive office of the budget may authorize the state treasurer to receive any moneys not appropriated by the legislative assembly which are made available by any federal agency and which the legislative assembly has not indicated an intent to reject. The emergency commission may authorize pass-through federal funds from one state agency to another state agency. The emergency commission, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from the date such moneys become available until June thirtieth following the next regular legislative session. The expenditures must be consistent with state law and with the terms of the grant and the program may not commit the legislative assembly for matching funds in the future unless the program has first been approved by the legislative assembly. A state officer may not expend funds received from the federal government which have not been specifically appropriated by the legislative assembly except as provided in this chapter. A state officer shall submit an expenditure plan with a request for approval under this section of expenditure of federal funds combined with or as part of a block grant for a new or existing program.

SECTION 18. AMENDMENT. Section 54-16-04.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.2. Commission may authorize acceptance and expenditure of moneys. The emergency commission, upon the advice of the office of management and budget, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize a state officer to receive moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys or the program. The emergency commission may authorize the state officer to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session."

Page 7, after line 2, insert:

"SECTION 21. RETROACTIVE APPLICATION. Section 16 of this Act is effective for all funds received and deposited into the risk management fund on or after July 1, 1997.

SECTION 22. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Administration	\$3,086,844	\$3,082,026	(\$220,000)	\$2,862,026

Fiscal management	3,998,308	3,875,828		3,875,828
Facility management	8,203,213	8,174,694	(320,000)	7,854,694
Central personnel	1,226,846	1,212,300		1,212,300
Division of community services	42,055,293	42,035,197		42,035,197
Risk management	964,173	959,911		959,911
Statewide compensation plan	<u>5,400,000</u>	<u>5,400,000</u>		<u>5,400,000</u>
Total all funds	\$64,934,677	\$64,739,956	(\$540,000)	\$64,199,956
Less special funds	<u>46,105,926</u>	<u>46,088,243</u>		<u>46,088,243</u>
General fund	\$18,828,751	\$18,651,713	(\$540,000)	\$18,111,713
FTE	122.00	121.00	(0.40)	120.60

Detail of House changes to the Senate version includes:

	REDUCE STATE CONTINGENCIES FUNDING	REMOVE .4 FTE CAPITOL SECURITY POSITION	REMOVE SECURITY SYSTEM HARDWARE AND SOFTWARE FUNDING	REMOVE SECURITY SYSTEM CONTRACTING SERVICES FUNDING	REMOVE FUNDING FOR THE STATE LOBBYIST	TOTAL HOUSE CHANGES
Administration	(\$100,000) ¹				(\$120,000) ³	(\$220,000)
Facility management			(\$200,000) ²	(\$120,000) ²		(320,000)
Central personnel						
Division of community services						
Risk management						
Statewide compensation plan						
Total all funds	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$120,000)	(\$540,000)
Less special funds						
General fund	(\$100,000)	\$0	(\$200,000)	(\$120,000)	(\$120,000)	(\$540,000)
FTE	0.00	(0.40) ²	0.00	0.00	0.00	(0.40)

¹ Reduces state contingencies funding by \$100,000, from \$700,000 to \$600,000.

² Removes .4 FTE and \$320,000 of general fund moneys which was for a new Capitol security system.

³ Removes \$120,000 of general fund moneys for a state lobbyist.

The amendment also makes the following changes:

- Reduces the fiscal management division's carryover from the 1997-99 biennium by \$450,000, from \$950,000 to \$500,000.
- Adds a new section appropriating \$6,000,000 of federal funds to the Division of Community Services for flood-related disasters (\$3,000,000) and weatherization of low-income homes (\$3,000,000). The amendment also adds a section making the \$6,000,000 appropriation an emergency measure.
- Provides for special fund transfers to the general fund of \$200,000 from the financial institutions regulatory fund and \$1,500,000 from the Public Employees Retirement System life insurance program.
- Reduces Bank of North Dakota transfers to the general fund by \$10,000,000, from \$60,000,000 to \$50,000,000 and increases the contingent transfers by \$17,000,000, from \$23,000,000 to \$40,000,000. The amendment also adds language providing that contingent transfers can be made only after July 1, 2000, and then only to the extent necessary to achieve a June 30, 2001, general fund balance of \$10,000,000.
- Adds a new section providing that if federal funding for a program is terminated during the 1999-2001 biennium, the administering state agency, department, or institution shall terminate the program. It also provides that if the federal government reduces federal funding by combining the funding for separate programs into a block grant, the agency, department, or institution shall prioritize or reprioritize programs as necessary.
- Adds a new section directing the Office of Management and Budget to discontinue the program-based performance budgeting pilot program.
- Adds a new section providing for a Legislative Council interim study of performance incentive pilot programs.
- Adds a new section clarifying that all deposits into the risk management fund may be spent for the purpose of the fund. The amendment also adds a section making this change retroactive to deposits after July 1, 1997.

- Adds two new sections clarifying which Emergency Commission approvals also need Budget Section approval.

DEPARTMENT 112 - INFORMATION SERVICES DIVISION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Information resource management	<u>\$46,282,960</u>	<u>\$45,709,295</u>	<u>\$3,700,000</u>	<u>\$49,409,295</u>
Total all funds	\$46,282,960	\$45,709,295	\$3,700,000	\$49,409,295
Less special funds	<u>46,082,960</u>	<u>45,709,295</u>	<u>3,700,000</u>	<u>49,409,295</u>
General fund	\$200,000	\$0	\$0	\$0
FTE	170.00	168.00	0.00	168.00

Detail of House changes to the Senate version includes:

	CONTRACT FUNDING FOR DHS MEDICAID/ TANF PROJECT	TOTAL HOUSE CHANGES
Information resource management	<u>\$3,700,000</u>	<u>\$3,700,000</u>
Total all funds	\$3,700,000	\$3,700,000
Less special funds	<u>3,700,000</u>	<u>3,700,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

DEPARTMENT 325 - DEPARTMENT OF HUMAN SERVICES

HOUSE - This amendment removes the section appropriating \$100,000, \$50,000 of which was general fund moneys and \$50,000 of special funds, to the Department of Human Services for the purpose of providing network technical support to county social service boards.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF CONFERENCE COMMITTEE

HB 1167: Your conference committee (Sens. Fischer, Christmann, Redlin and Reps. Nottestad, Martinson, Solberg) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1012-1013, adopt amendments as follows, and place HB 1167 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1012 and 1013 of the House Journal and pages 820 and 821 of the Senate Journal and that House Bill No. 1167 be amended as follows:

Page 1, line 4, remove the first "and"

Page 1, line 9, after "program" insert "; and to provide an effective date"

Page 3, line 9, remove the overstrike over "~~and~~" and remove ". The comprehensive plan"

Page 4, line 11, replace "**Communities to adopt**" with "**Community**"

Page 4, line 21, overstrike "under this chapter, whichever are more restrictive" and insert immediately thereafter "if the community has not adopted standards, then the structures must meet the standards set forth in paragraphs 2 and 3"

Page 4, line 23, overstrike "or" and insert immediately thereafter "at least one foot [30.48 centimeters]"

Page 4, line 28, after "than" insert "one foot [30.48 centimeters] above"

Page 5, replace lines 3 through 31 with:

"2. a. Standards adopted by the community for structures in the flood fringe must meet or exceed the following:

- (1) Residential structures must be constructed on fill so that the lowest floor, including basements, is elevated to or above the base flood level unless granted a residential floodproof exception under the national flood insurance program [Pub. L. 90-448; 82 Stat. 572; 42 U.S.C. 4001 et seq.].
 - (2) Commercial and industrial structures must be constructed on fill as specified in subdivision a or must be adequately floodproofed up to an elevation no lower than the base flood level. The floodproofing must be in accordance with the standards adopted by the community under the national flood insurance program [Pub. L. 90-448; 82 Stat. 572; 42 U.S.C. 4001 et seq.] or under this chapter, whichever are more restrictive.
- b. Communities are encouraged to adopt standards that require residential structures to be constructed so that the lowest floor is elevated to at least one foot [30.48 centimeters] above the base flood level and commercial and industrial structures are constructed so that the lowest floor is elevated to at least one foot [30.48 centimeters] above the base flood level or the structures are adequately floodproofed up to an elevation no lower than one foot [30.48 centimeters] above the base flood level."

Page 6, remove lines 1 through 3

Page 6, line 7, after "communities" insert "that have residential, commercial, or industrial structures in areas" and remove the overstrike over "~~subject to excessive flooding~~" and insert immediately thereafter ", as determined by the state engineer,"

Page 6, line 15, after "**floodways**" insert "**- Exceptions**"

Page 6, line 24, after the underscored period insert "A community may apply to the state engineer for an exemption from this section. The state engineer may grant the exemption if the state engineer determines that the community has the technical hydraulic expertise to determine if the proposed use is in compliance with state and federal law."

SECTION 11. EFFECTIVE DATE. Section 8 of this Act becomes effective on August 1, 2000."

Renumber accordingly

HB 1167 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1304, as engrossed: Your conference committee (Sens. W. Stenehjem, Thane, Mutzenberger and Reps. Devlin, B. Thoreson, Metcalf) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1071-1072 and place HB 1304 on the Seventh order.

Engrossed HB 1304 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2071: Your conference committee (Sens. Wardner, Krebsbach, DeMers and Reps. Kliniske, Grande, Cleary) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 876, adopt amendments as follows, and place SB 2071 on the Seventh order:

That the House recede from its amendments as printed on page 876 of the Senate Journal and pages 957 and 958 of the House Journal and that Senate Bill No. 2071 be amended as follows:

Page 5, line 25, replace "\$250,000" with "\$87,181"

Page 5, line 27, replace "three" with "one" and replace "positions" with "position"

Renumber accordingly

SB 2071 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2098: Your conference committee (Sens. Sand, Mutch, Heitkamp and Reps. Keiser, Martinson, Stefonowicz) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 671, adopt amendments as follows, and place SB 2098 on the Seventh order:

That the House recede from its amendments as printed on page 671 of the Senate Journal and page 723 of the House Journal and that Senate Bill No. 2098 be amended as follows:

Page 1, line 9, overstrike "twenty-four" and insert immediately thereafter "sixteen"

Page 1, line 10, replace "twelve" with "six"

Renumber accordingly

SB 2098 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2125, as engrossed: Your conference committee (Sens. W. Stenehjem, Watne, C. Nelson and Reps. DeKrey, Hawken, Delmore) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 908-909, adopt amendments as follows, and place SB 2125 on the Seventh order:

That the House recede from its amendments as printed on pages 908 and 909 of the Senate Journal and 979 and 980 of the House Journal and that Engrossed Senate Bill No. 2125 be amended as follows:

Page 1, line 2, remove the second "and" and after "penalty" insert "; and to declare an emergency"

Page 1, line 14, replace "a person" with "an individual"

Page 1, line 16, replace "person's" with "individual's"

Page 1, after line 20, insert:

- "3. A city or county may adopt an ordinance or resolution regarding the sale of tobacco to minors and use of tobacco by minors which is more stringent than this section. Any ordinance or resolution adopted which deems a violation of subsection 1 or 2 a noncriminal violation must provide for a fee of not less than twenty-five dollars.
 - a. Any individual who has been cited for a violation that is designated a noncriminal offense may appear before a court of competent jurisdiction and pay the statutory fee by the time scheduled for a hearing, or if bond has been posted, may forfeit the bond by not appearing at the scheduled time. An individual appearing at the time scheduled in the citation may make a statement in explanation of that individual's action and the judge may waive, reduce, or suspend the statutory fee or bond, or both. If the individual cited follows the procedures of this subdivision, that individual has admitted the violation and has waived the right to a hearing on the issue of commission of the violation. The bond required to secure appearance before the court must be identical to the statutory fee. This subdivision does not allow a halting officer to receive the statutory fee or bond.
 - b. If an individual cited for a violation that is designated a noncriminal offense does not choose to follow any procedure provided under subdivision a, that individual may request a hearing on the issue of the commission of the violation charged. The hearing must be held at the time scheduled in the citation or at some future time, not to exceed ninety days later, set at that first appearance. At the time of a request for a hearing on the issue on commission of the violation, the individual charged shall deposit with the court an appearance bond equal to the statutory fee for the violation charged. The state must prove the commission of a charged violation at the hearing under this section by a preponderance of the evidence.

4. A law enforcement officer or juvenile court that cites a minor for violation of this section shall mail a notice of the violation to the parent or legal guardian of the minor within ten days of the citation.

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

Renumber accordingly

Engrossed SB 2125 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2300: Your conference committee (Sens. W. Stenehjem, Watne, C. Nelson and Reps. DeKrey, Sveen, Delmore) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 797-798, adopt amendments as follows, and place SB 2300 on the Seventh order:

That the House recede from its amendments as printed on pages 797 and 798 of the Senate Journal and pages 876 and 877 of the House Journal and that Senate Bill No. 2300 be amended as follows:

Page 1, line 3, after "records" insert "; to provide an effective date; and to declare an emergency"

Page 2, after line 5, insert:

"SECTION 3. EFFECTIVE DATE. This Act becomes effective on June 1, 1999.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

SB 2300 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2327, as engrossed: Your conference committee (Sens. Thane, Kilzer, DeMers and Reps. Devlin, Pollert, Niemeier) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 817, adopt further amendments as follows, and place SB 2327 on the Seventh order:

That the Senate accede to the House amendments as printed on page 817 of the Senate Journal and page 877 of the House Journal and that Engrossed Senate Bill No. 2327 be further amended as follows:

Page 2, line 14, replace "A" with "Unless a court of competent jurisdiction determines otherwise, a"

Renumber accordingly

Engrossed SB 2327 was placed on the Seventh order of business on the calendar.

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

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. DeKrey, Chairman)** has carefully examined the Journal of the Sixty-first Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1183, after line 7, insert:

"In addition to the amendments to Engrossed House Bill No. 1003 as printed on pages 1009-1022 of the Senate Journal, Engrossed House Bill No. 1003 is further amended as follows:

Page 1, line 2, after "system" insert "; to provide for a legislative council study"

Page 10, after line 15, insert:

"SECTION 23. LEGISLATIVE COUNCIL STUDY - TRIBAL COLLEGES. The legislative council shall consider studying the tribally controlled colleges in this state and the United Tribes technical college, including a review of funding sources and the number of Indian and non-Indian students attending each college, for the purpose of determining the desirability and feasibility of a grant program to assist the colleges in providing education to students who are less than one-quarter Indian. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly."

Renumber accordingly"

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

REPORT OF CONFERENCE COMMITTEE

REP. DEVLIN MOVED that the conference committee report on Engrossed HB 1304 be adopted, which motion prevailed.

Reengrossed HB 1304 was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1304: A BILL for an Act to amend and reenact sections 12-44.1-09, 12-44.1-18.2, and subsection 4 of section 39-08-01 of the North Dakota Century Code, relating to inmate placement and programs.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovda; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemm; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

ABSENT AND NOT VOTING: Carlisle; Huether; Monson

Reengrossed HB 1304 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

REP. DEKREY MOVED that the conference committee report on SB 2300 be adopted, which motion prevailed.

SB 2300, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2300: A BILL for an Act to amend and reenact subsection 5 of section 27-20-24 and subsection 6 of section 27-20-51 of the North Dakota Century Code, relating to juvenile court hearings and records; 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 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovda; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemm; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz;

Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

ABSENT AND NOT VOTING: Carlisle; Huether

SB 2300, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

REP. DEVLIN MOVED that the conference committee report on Engrossed SB 2327 be adopted, which motion prevailed.

Engrossed SB 2327, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2327: A BILL for an Act to create and enact a new subsection to section 30.1-28-03 and a new subsection to section 30.1-28-04 of the North Dakota Century Code, relating to authority of guardians to make health care decisions and compensation for services in guardianship proceedings; and to amend and reenact subsection 2 of section 30.1-28-04 of the North Dakota Century Code, relating to authority of guardians to make health care decisions.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleon; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

ABSENT AND NOT VOTING: Carlisle; Huether

Engrossed SB 2327, as amended, passed and the title was agreed to.

SIXTH ORDER OF BUSINESS

SB 2441, as engrossed: REP. R. KELSCH (Education Committee) MOVED that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed.

ANNOUNCEMENT

THE SPEAKER ANNOUNCED that Rep. Weisz would replace Rep. Svedjan on the Conference Committee on SB 2114.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House does not concur in the Senate amendments to HB 1276 and HB 1443 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1276: Reps. Renner; Rennerfeldt; Froelich

HB 1443: Reps. Poolman; Carlisle; Hoffner

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has appointed as a conference committee to act with a like committee from the Senate on:

SB 2440: Reps. Kempenich; Sveen; Mahoney

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has appointed Rep. Weisz to replace Rep. Svedjan on the Conference Committee on SB 2114.

MOTION

REP. DORSO MOVED that the House be on the Fifth and Seventh orders and at the conclusion of those orders, the House stand in recess until 4:15 p.m., which motion prevailed.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1035, HB 1304.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2300, SB 2327.

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

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2267.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2161, SB 2181.

REPORT OF CONFERENCE COMMITTEE

HB 1329, as engrossed: Your conference committee (Sens. Traynor, Lyson, C. Nelson and Reps. DeKrey, Klemin, Meyer) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1095 and place HB 1329 on the Seventh order.

REPORT OF CONFERENCE COMMITTEE

SB 2161, as engrossed: Your conference committee (Sens. Cook, B. Stenehjem, O'Connell and Reps. Weisz, Belter, Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 684-685, adopt amendments as follows, and place SB 2161 on the Seventh order:

That the House recede from its amendments as printed on pages 684 and 685 of the Senate Journal and page 757 of the House Journal and that Engrossed Senate Bill No. 2161 be amended as follows:

Page 1, line 4, remove "and"

Page 1, line 5, replace "section" with "sections" and after "39-18-01" insert ", and 39-29.1-08"

Page 1, line 6, after the comma insert "low-speed vehicles,"

Page 2, line 18, remove "a", remove the overstrike over "~~vehicles~~" and insert immediately thereafter "of a model year which have been released in the current calendar year", remove the overstrike over "~~and those~~", and remove "vehicle that"

Page 2, line 19, remove "was", overstrike "manufactured" and insert immediately thereafter "motor vehicles of a model year which were released", remove the overstrike over "~~seven~~", and remove "eight"

Page 2, line 21, overstrike "more than eight years have elapsed since the date of"

Page 2, line 22, overstrike "manufacture" and insert immediately thereafter "a motor vehicle of a model year has not been released in the current calendar year or the seven calendar years before the current calendar year"

Page 3, line 4, overstrike "that", remove "was manufactured in the", overstrike "eight", remove "calendar", overstrike "years", and replace "before" with "of a model year which was released in"

Page 3, line 5, after "year" insert "or the seven calendar years before the current calendar year"

Page 3, line 11, overstrike "that is less than eight years old" and insert immediately thereafter "of a model year which has been released in the current calendar year or the seven calendar years before the current calendar year"

Page 4, after line 26, insert:

"SECTION 7. AMENDMENT. Section 39-29.1-08 of the North Dakota Century Code as created by House Bill No. 1216, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

39-29.1-08. Equipment. A low-speed vehicle must be equipped with head lamps, front and rear turn signal lamps, tail lamps, stop lamps, reflex reflectors on each side as far to the rear of the vehicle as practicable and one red reflector on the rear, ~~four wheel hydraulic assist~~ brakes, a parking brake, a windshield, a vehicle identification number, a safety belt installed at each designated seating position, an exterior mirror mounted on the operator's side of the vehicle, and either an exterior mirror mounted on the passenger's side of the vehicle or an interior rear view mirror."

Renumber accordingly

Engrossed SB 2161 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2181, as engrossed: Your conference committee (Sens. Krebsbach, Klein, D. Mathern and Reps. Kempenich, Koppang, Lemieux) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 770-772, adopt amendments as follows, and place SB 2181 on the Seventh order:

That the House recede from its amendments as printed on pages 770-772 of the Senate Journal and pages 859 and 860 of the House Journal and that Engrossed Senate Bill No. 2181 be amended as follows:

Page 5, line 11, remove the overstrike over "~~However, if the laws or rules of another state require a~~"

Page 5, remove the overstrike over lines 12 through 24

Page 12, line 30, after the first comma insert "**limited liability partnership.**"

Renumber accordingly

Engrossed SB 2181 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2267, as engrossed: Your conference committee (Sens. Schobinger, B. Stenehjem, Thompson and Reps. Kempenich, Weisz, Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 909 and place SB 2267 on the Seventh order.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)
MR. SPEAKER: The Senate does not concur in the House amendments to SB 2381 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2381: Sens. Flakoll; Wanzek; Redlin

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)
MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1089: Sens. Mutch; Krebsbach; Thompson

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

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval on April 6, 1999: HB 1001, HB 1004, HB 1005, HB 1046, HB 1083, HB 1115, HB 1153, HB 1165, HB 1166, HB 1182, HB 1184, HB 1272, HB 1281, HB 1380, HB 1389, HB 1398, HB 1404, HB 1434, HB 1451, HB 1487, HB 1492.

REPORT OF CONFERENCE COMMITTEE

HB 1171, as engrossed: Your conference committee (Sens. W. Stenehjem, Thane, DeMers and Reps. L. Thoreson, Haas, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1065-1067, adopt amendments as follows, and place HB 1171 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1065-1067 of the House Journal and pages 913-915 of the Senate Journal and that Engrossed House Bill No. 1171 be amended as follows:

Page 1, line 1, after the first comma insert "54-44.3-12.2,"

Page 1, line 2, after "board" insert ", employee complaints,"

Page 1, line 3, remove the first "and" and after "director" insert a comma

Page 1, line 14, replace "in either public or private employment nominated by" with "appointed by the governor"

Page 1, line 15, remove "board members and confirmed by majority vote of the other board members"

Page 1, line 23, overstrike "However, if a board"

Page 1, line 24, overstrike "member voluntarily withdraws from deliberation and voting on an" and remove "issue"

Page 2, line 1, overstrike "where there may be a possible conflict of interest, the vacancy", remove "may", and overstrike "be filled"

Page 2, line 2, overstrike "temporarily"

Page 2, line 7, remove "by a"

Page 2, remove line 8

Page 2, line 9, remove "members" and overstrike the period

Page 2, after line 19, insert:

"SECTION 2. AMENDMENT. Section 54-44.3-12.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-44.3-12.2. Employee complaints - Cooperation in development and implementation of basic agency grievance procedures and a statewide appeal mechanism - Appeals. It is the intent of the state of North Dakota to assure fair and equitable treatment and promote harmony between and among all classified employees. To ensure this the state desires to resolve bona fide employee complaints as quickly as possible. The division shall cooperate with and assist the various departments, agencies, and institutions of the state in the development and implementation of basic agency grievance procedures and a statewide appeal mechanism. The division shall certify appeals from nonprobationary employees in the classified service which are related to discrimination, merit system qualification, reprisals, reduction in force, forced relocation, demotion with loss of pay, suspension without pay, and dismissal, and from applicants for positions in the classified service related to discrimination. Upon receipt of an appeal, the division shall submit a written request to the director of the office of administrative hearings to designate an administrative hearing officer for the division to conduct the hearing and related proceedings, including receiving evidence and preparing findings of fact, conclusions of law, and issuing a final decision. The moving party in the initial action bears the burden of proof in the appeal. An appeal to the district court from the determination of the ~~office of administrative hearings~~ hearing officer must be filed according to chapter 28-32, but neither the division nor the office of administrative hearings may be named as a party to the appeal under chapter 23-32 unless an employee of one of those two agencies is involved in the grievance."

Renumber accordingly

Engrossed HB 1171 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

REP. NOTTESTAD MOVED that the conference committee report on HB 1167 be adopted, which motion prevailed.

Engrossed HB 1167 was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1167: A BILL for an Act to create and enact a new section to chapter 11-33.2, a new subsection to section 61-16.2-02, and a new section to chapter 61-16.2 of the North Dakota Century Code, relating to identifying the floodplain on plats, definition of community, and state engineer review of uses in floodways; to amend and reenact subsection 2 of section 11-33-03, subsection 2 of section 40-47-03, subsection 11 of section 40-50.1-01, sections 58-03-12, 61-16.2-04, 61-16.2-08, and 61-16.2-13 of the North Dakota Century Code, relating to emergency management, identifying floodplain on plats, delineation of the floodway for lakes, elevation of structure in the floodway, and mandatory community participation in the flood insurance program; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gullerson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

ABSENT AND NOT VOTING: Carlisle; Huether; Tollefson

Engrossed HB 1167 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

REP. DEKREY MOVED that the conference committee report on Engrossed SB 2125 be adopted, which motion prevailed.

Engrossed SB 2125, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2125: A BILL for an Act to amend and reenact section 12.1-31-03 of the North Dakota Century Code, relating to the purchase, possession, and use of tobacco by minors; to provide a penalty; 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 85 YEAS, 11 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boucher; Brandenburg; Brekke; Clark; Cleary; Dalrymple; DeKrey; Delmore; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grumbo; Gullerson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

NAYS: Boehm; Brusegaard; Byerly; Carlson; Delzer; Devlin; Grande; Grosz; Nelson; Pollert; Timm

ABSENT AND NOT VOTING: Carlisle; Huether

Engrossed SB 2125, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

REP. KLINISKE MOVED that the conference committee report on SB 2071 be adopted, which motion prevailed.

SB 2071, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2071: A BILL for an Act to create and enact a new subsection to section 54-52-17 and a new section to chapter 54-52 of the North Dakota Century Code, relating to acceptance of rollovers from other qualified plans and vesting of employer contributions under the public employees retirement system; to amend and reenact subsection 1 of section 54-52-01, subdivisions b and d of subsection 3 of section 54-52-17, paragraphs 1 and 2 of subdivision a of subsection 4 of section 54-52-17, subdivision d of subsection 4 of section 54-52-17, subsections 5, 6, and 7 of section 54-52-17, sections 54-52-17.5 and 54-52-17.10 of the North Dakota Century Code, relating to definitions, determination of retirement dates, computation of benefits, eligibility for early retirement benefits, vesting, postretirement adjustments, and prior service retiree adjustments under the public employees retirement system; to provide an appropriation; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefanowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

NAYS: Byerly; Carlson; Lloyd

ABSENT AND NOT VOTING: Carlisle; Huether

SB 2071, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

REP. KEISER MOVED that the conference committee report on SB 2098 be adopted, which motion prevailed.

SB 2098, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2098: A BILL for an Act to amend and reenact section 43-23-08.2 of the North Dakota Century Code, relating to continuing education requirements for real estate brokers.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 21 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boucher; Brandenburg; Brekke; Byerly; Clark; Dalrymple; Delmore; Disrud; Dorso; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Gunter; Haas; Hawken; Henegar; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nicholas; Nichols; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefanowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Tollefson; Warner; Wentz; Wikenheiser; Winrich; Speaker Wald

NAYS: Aarsvold; Boehm; Brusegaard; Carlson; Cleary; DeKrey; Delzer; Devlin; Drovdal; Fairfield; Grosz; Grumbo; Gullerson; Hanson; Kerzman; Kroeber; Nelson; Niemeier; Renner; Timm; Weisz

ABSENT AND NOT VOTING: Carlisle; Huether

SB 2098, as amended, passed and the title was agreed to.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DALRYMPLE MOVED that the House do not concur in the Senate amendments to Engrossed HB 1019, and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1019: Reps. Poolman, Carlisle, Gullerson.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House does not concur in the Senate amendments to HB 1019 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1019: Reps. Poolman; Carlisle; Gullerson

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolutions were delivered to the Secretary of State for his filing on April 6, 1999: HCR 3018, HCR 3030.

MOTION

REP. DORSO MOVED that the House be on the Fifth and Seventh orders of business and at the conclusion of those orders, the House stand in recess until 6:00 p.m., which motion prevailed.

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

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

MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1007: Sens. Andrist; Grindberg; Robinson
HB 1043: Sens. W. Stenehjem; Watne; C. Nelson
HB 1183: Sens. Urlacher; Christmann; Kinnoin
HB 1276: Sens. Klein; Sand; D. Mathern
HB 1443: Sens. Grindberg; Holmberg; Robinson

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2009, SB 2162, SB 2168, SB 2171, and SB 2404 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2009: Sens. Solberg; Naaden; Tomac
SB 2162: Sens. Freborg; Wanzek; O'Connell
SB 2168: Sens. St. Aubyn; Bowman; Krauter
SB 2171: Sens. Thane; Lee; Mutzenberger
SB 2404: Sens. Grindberg; Holmberg; Robinson

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SCR 4029.

REPORT OF CONFERENCE COMMITTEE

SCR 4029, as engrossed: Your conference committee (Sens. Krebsbach, Sand, Heitkamp and Reps. Rennerfeldt, Clark, Froelich) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 772-773 and place SCR 4029 on the Seventh order.

Engrossed SCR 4029 was placed on the Seventh order of business on the calendar.

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

MR. SPEAKER: The Senate has passed and your favorable consideration is requested on: SB 2442.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointment to a Conference Committee on SB 2009: Reps. Lloyd, Boehm, Nichols.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointment to a Conference Committee on SB 2381: Reps. Byerly, Delzer, Kerzman.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointment to a Conference Committee on SB 2404: Reps. Dalrymple, Carlisle, Hoffner.

SEVENTH ORDER OF BUSINESS**MOTION**

REP. AARSVOLD MOVED that the report of the Minority on Engrossed SB 2013 be substituted for the report of the Majority on Engrossed SB 2013.

RULING BY THE SPEAKER

SPEAKER WALD RULED Representative Aarsvold's motion out of order because Section 29 includes a tax increase and the bill has not been referred to the **Committee on Finance and Taxation** as per the House Rules and the content was not germane to the bill.

REQUEST

REP. BOUCHER REQUESTED a Ruling from the Chair in terms of the germaneness of the Majority Report.

RULING BY THE SPEAKER

SPEAKER WALD RULED that in accordance with Mason's Section 402, paragraphs 1 through 4, the Majority Report was germane.

SPEAKER WALD STATED that Rep. Boucher could appeal the Ruling of the Chair under Mason's Section 231.

REP. BOUCHER SO MOVED, which motion failed on a verification vote, therefore the Ruling of the Chair was final.

SIXTH ORDER OF BUSINESS

SB 2013, as engrossed: REP. DALRYMPLE (Appropriations Committee) MOVED that the Majority Report amendments be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

REP. BOUCHER REQUESTED a recorded roll call vote on the motion to adopt the proposed Majority Report amendments to Engrossed SB 2013, which request was granted.

ROLL CALL

The question being on the motion to adopt the Majority Report amendments to Engrossed SB 2013, the roll was called and there were 60 YEAS, 38 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Disrud; Dorso; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Henegar; Herbel; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppelman; Lloyd; Martinson; Mickelson; Monson; Nelson; Nicholas; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Weisz; Wentz; Wikenheiser; Speaker Wald

NAYS: Aarsvold; Boucher; Cleary; Delmore; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Gullerson; Hanson; Hoffner; Huether; Kelsh, S.; Kerzman; Koppang; Kroeber; Lemieux; Lundgren; Mahoney; Maragos; Metcalf; Meyer; Mueller;

Nichols; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Stefonowicz; Thorpe; Warner; Winrich

The Majority Report amendments to Engrossed SB 2013 were adopted and Engrossed SB 2013, as amended, was placed on the Fourteenth order.

MOTION

REP. STEFONOWICZ MOVED that Engrossed SB 2013, as amended, be rereferred to the **Finance and Taxation Committee**.

REQUEST

REP. GULLESON requested a recorded roll call vote on the motion that Engrossed SB 2013 be rereferred to the **Finance and Taxation Committee**.

ROLL CALL

The question being on the motion to rerefer Engrossed SB 2013 to the **Finance and Taxation Committee**, the roll was called and there were 35 YEAS, 63 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Boucher; Cleary; Delmore; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Gulleson; Hanson; Hoffner; Huether; Kelsh, S.; Kerzman; Kroeber; Lemieux; Lundgren; Mahoney; Metcalf; Meyer; Mueller; Nichols; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Stefonowicz; Thorpe; Warner; Winrich

NAYS: Belter; Berg; Bernstein; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Disrud; Dorso; Drovdal; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Henegar; Herbel; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Maragos; Martinson; Mickelson; Monson; Nelson; Nicholas; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Weisz; Wentz; Wikenheiser; Speaker Wald

The motion to rerefer Engrossed SB 2013, as amended, to the **Finance and Taxation Committee** failed.

MOTION

REP. BOUCHER MOVED to adjourn as pursuant to House Rule 317, which motion failed on a verification vote.

SECOND READING OF SENATE BILL

SB 2013: A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, the school for the blind, and the state library; to create and enact a new section to chapter 15-59 of the North Dakota Century Code, relating to a special education critical needs board; to amend and reenact sections 15-21-02 and 15-21-03 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-02-02 and 15.1-02-03 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction and the appointment of a deputy superintendent; and to amend and reenact sections 15-59-06, 15-59-06.2, and 15-59-07 of the North Dakota Century Code, relating to special education.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 62 YEAS, 36 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Disrud; Dorso; Drovdal; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Henegar; Herbel; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Martinson; Mickelson; Monson; Nelson; Nicholas; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Weisz; Wentz; Wikenheiser; Speaker Wald

NAYS: Aarsvold; Boucher; Cleary; Delmore; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Gulleson; Hanson; Hoffner; Huether; Kelsh, S.; Kerzman; Kroeber; Lemieux; Lundgren; Mahoney; Maragos; Metcalf; Meyer; Mueller; Nichols; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Stefonowicz; Thorpe; Warner; Winrich

Engrossed SB 2013, as amended, passed, and the title was agreed to.

MOTION

REP. KERZMAN MOVED that the Minority Report A be substituted for the report of the Majority on Engrossed SB 2012, which motion prevailed.

SIXTH ORDER OF BUSINESS

SB 2012, as engrossed: REP. DALRYMPLE (Appropriations Committee) MOVED that the Minority Report A amendments on Engrossed SB 2012, be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

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 create and enact a new section to chapter 25-03.2, a new section to chapter 50-09, a new section to chapter 50-11, and a new section to chapter 50-24.4 of the North Dakota Century Code, relating to a moratorium on residential treatment center and residential child care facility beds, the county share of foster care costs, and the limits on geropsychiatric nursing facilities; to amend and reenact section 25-03.1-04, subsection 3 of section 50-01.2-03.2, subsection 5 of section 50-24.4-10, and section 50-24.4-13 of the North Dakota Century Code, relating to public treatment facilities, human services financing in exceptional circumstances, operating cost limits for nursing homes, and to exceptions to case mix nursing home rates; to amend and reenact section 4 of chapter 561 of the 1991 Session Laws, as amended by section 18 of chapter 2 of the 1993 Session Laws, section 9 of chapter 34 of the 1995 Session Laws, and section 16 of chapter 12 of the 1997 Session Laws, relating to appropriation for projects at westwood park; to repeal section 25-04-20 of the North Dakota Century Code, relating to the westwood park assets management committee; to provide for the transfer of appropriations between agencies and institutions; to provide for reports to the budget section; to provide for a legislative council study; to provide legislative intent regarding basic care rates; to provide a contingent appropriation; to provide an effective date; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 95 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulletson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Stefonowicz; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

NAYS: Aarsvold; Cleary; Hoffner

Engrossed SB 2012, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

SEVENTH ORDER OF BUSINESS

SB 2015, as engrossed: REP. GULLESON (Appropriations Committee) MOVED that the Minority Report A be substituted for the Majority Report on Engrossed SB 2015.

REQUEST

REP. GULLESON REQUESTED that a recorded roll call vote on the adoption of Minority Report A on Engrossed SB 2015, which request was granted.

ROLL CALL

The question being on the motion to adopt Minority Report A to Engrossed SB 2015, the roll was called and there were 48 YEAS, 49 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Boucher; Carlisle; Cleary; Delmore; Disrud; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Gulleson; Gunter; Hanson; Henegar; Herbel; Hoffner; Jensen; Keiser; Kelsh, S.; Kerzman; Klemin; Kliniske; Kroeber; Lemieux; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mueller; Nichols; Niemeier; Nottestad; Nowatzki; Poolman; Rose; Sandvig; Solberg; Stefonowicz; Sveen; Thorpe; Warner; Wentz; Winrich

NAYS: Belter; Berg; Bernstein; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Dorso; Drovdal; Froseth; Galvin; Grande; Grosz; Haas; Hawken; Huether; Johnson, D.; Johnson, N.; Kelsch, R.; Kempenich; Klein; Koppang; Koppelman; Lloyd; Mickelson; Monson; Nelson; Nicholas; Pollert; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Weisz; Wikenheiser; Speaker Wald

ABSENT AND NOT VOTING: Schmidt

Minority Report A to Engrossed SB 2015 lost.

MOTION

REP. GULLESON MOVED that Minority Report B be substituted for the Majority Report on Engrossed SB 2015.

REQUEST

REP. BOUCHER REQUESTED a recorded roll call vote on the adoption of Minority Report B to Engrossed SB 2015, which request was granted.

ROLL CALL

The question being on the adoption of Minority Report B to Engrossed SB 2015, the roll was called and there were 34 YEAS, 64 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Boucher; Cleary; Delmore; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Grumbo; Gulleson; Hanson; Hoffner; Huether; Kelsh, S.; Kerzman; Kroeber; Lemieux; Lundgren; Mahoney; Metcalf; Meyer; Mueller; Nichols; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Stefonowicz; Thorpe; Warner; Winrich

NAYS: Belter; Berg; Bernstein; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Disrud; Dorso; Drovdal; Froseth; Galvin; Gorder; Grande; Grosz; Gunter; Haas; Hawken; Henegar; Herbel; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Maragos; Martinson; Mickelson; Monson; Nelson; Nicholas; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Weisz; Wentz; Wikenheiser; Speaker Wald

Minority Report B to Engrossed SB 2015 lost.

SIXTH ORDER OF BUSINESS

SB 2015, as engrossed: REP. DALRYMPLE (Appropriations Committee) MOVED that the Majority Report amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a verification vote.

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 an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide statements of legislative intent relating to state employee compensation adjustments, federal program termination, and performance-based program budgeting; to authorize the transfer of special funds to the general fund; to provide for transfers from the Bank of North Dakota to the state general fund; to provide for a legislative council study; to create and enact a new section to chapter 54-23.2 of the North Dakota Century Code, relating to mobile data terminal and 911 service fees; to amend and reenact subsection 2 of section 32-12.2-07, sections 54-16-04.1, 54-16-04.2, and 54-27.2-02 of the North Dakota Century Code, relating to the risk management fund, emergency commission approvals, and the budget stabilization fund; to provide for retroactive application; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 75 YEAS, 23 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Belter; Berg; Bernstein; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Eckre; Froelich; Froseth; Galvin; Gorder; Grande; Grosz; Gunter; Haas; Hawken; Henegar; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Schmidt; Severson; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Speaker Wald

NAYS: Aarsvold; Boucher; Cleary; Drovdal; Ekstrom; Fairfield; Glassheim; Grumbo; Gulleon; Hanson; Hoffner; Kelsh, S.; Kerzman; Kroeber; Lemieux; Lundgren; Niemeier; Rose; Sandvig; Solberg; Stefonowicz; Thorpe; Winrich

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

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointment to a Conference Committee on SB 2171: Reps. Devlin, Timm, Eckre.

MOTION

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

MOTION

REP. MONSON MOVED that the House be on the Fifth, Seventh, Twelfth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 9:00 a.m., Wednesday, April 7, 1999, which motion prevailed.

FIRST READING OF SENATE BILL

SB 2442: A BILL for an Act to amend and reenact section 43-09-22 of the North Dakota Century Code, relating to electrical installation inspections; to provide for electrician license reinstatement requirements; to provide an expiration date; and to declare an emergency.

Was read the first time and referred to the **Transportation Committee**.

SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills: SB 2002, SB 2066, SB 2107, SB 2108, SB 2159, SB 2170, SB 2185, SB 2189, SB 2212, SB 2229, SB 2246, SB 2266, SB 2275, SB 2280, SB 2289, SB 2309, SB 2350, SB 2388.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has signed: SB 2002, SB 2066, SB 2107, SB 2108, SB 2159, SB 2170, SB 2185, SB 2189, SB 2212, SB 2229, SB 2246, SB 2266, SB 2275, SB 2280, SB 2289, SB 2309, SB 2350, SB 2388.

SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills and resolutions: HB 1001, HB 1004, HB 1005, HB 1046, HB 1083, HB 1115, HB 1153, HB 1165, HB 1166, HB 1182, HB 1184, HB 1272, HB 1281, HB 1389, HB 1398, HB 1404, HB 1451, HB 1492, HCR 3018, HCR 3030.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1001, HB 1004, HB 1005, HB 1046, HB 1083, HB 1115, HB 1153, HB 1165, HB 1166, HB 1182, HB 1184, HB 1272, HB 1281, HB 1389, HB 1398, HB 1404, HB 1451, HB 1492, HCR 3018, HCR 3030.

SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled resolutions: SCR 4023, SCR 4036, SCR 4054, SCR 4055, SCR 4057.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has signed: SCR 4023, SCR 4036, SCR 4054, SCR 4055, SCR 4057.

SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills: HB 1380, HB 1434, HB 1487.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1380, HB 1434, HB 1487.

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

MR. SPEAKER: The President has signed: HB 1001, HB 1004, HB 1005, HB 1046, HB 1083, HB 1115, HB 1153, HB 1165, HB 1166, HB 1182, HB 1272, HB 1281, HB 1380, HB 1389, HB 1398, HB 1404, HB 1434, HB 1451, HB 1487, HB 1492, HCR 3018, HCR 3030.

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

MR. SPEAKER: The President has signed: HB 1184.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2068, SB 2088, SCR 4059.

SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills: SB 2001, SB 2217, SB 2371.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has signed: SB 2001, SB 2217, SB 2371.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has amended and subsequently passed: SB 2013.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1167.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has amended and subsequently passed: SB 2355.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has amended and failed to pass: SB 2182, SB 2361.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2012, SB 2015.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2071, SB 2098, SB 2125.

MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has appointed as a conference committee to act with a like committee from the Senate on:

SB 2009: Reps. Lloyd; Boehm; Nichols

SB 2171: Reps. Devlin; Timm; Eckre

SB 2381: Reps. Byerly; Delzer; Kerzman

SB 2404: Reps. Dalrymple; Carlisle; Hoffner

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

LANCE HAGEN, Chief Clerk