

JOURNAL OF THE SENATE

Fifty-seventh Legislative Assembly

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Bismarck, April 28, 2001

The Senate convened at 9:00 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Heitkamp.

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

A quorum was declared by the President.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has passed and your favorable consideration is requested on: HB 1344.

CONSIDERATION OF AMENDMENTS

HB 1052, as engrossed: SEN. NETHING (Education Committee) MOVED that the amendments on SJ pages 1388-1389 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion failed.

SECOND READING OF HOUSE BILL

HB 1052: A BILL for an Act to create and enact a new subsection to section 57-39.2-04 of the North Dakota Century Code, relating to a sales and use tax exemption for sales and use of used farm machinery, farm machinery repair parts, and used irrigation equipment used exclusively for agricultural purposes; to amend and reenact subsection 3 of section 57-39.2-01 and sections 57-39.2-02.1 and 57-40.2-02.1 of the North Dakota Century Code, relating to imposition of sales tax on sales of used farm machinery, farm machinery repair parts, and used irrigation equipment used exclusively for agricultural purposes; to provide an effective date; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the bill, which has been read, the roll was called and there were 42 YEAS, 5 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Andrist; Bercier; Bowman; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroeplin; Lindaas; Lyson; Mathern, D.; Mathern, T.; Nething; Nichols; O'Connell; Robinson; Schobinger; Solberg; Stenehjerm; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wardner; Watne

NAYS: Lee; Mutch; Nelson, C.; Nelson, G.; Polovitz

ABSENT AND NOT VOTING: Tallackson; Wanzek

Engrossed HB 1052 passed and the title was agreed to.

MOTION

SEN. G. NELSON MOVED that the Senate be on the Fifteenth order for the purpose of electing an Interim President Pro Tempore, which motion prevailed.

NOMINATIONS FOR INTERIM PRESIDENT PRO TEMPORE

SEN. MUTCH: Mister President and Members of the Senate: I feel personally honored and privileged to place in nomination Senator Bill Bowman of District 39 as President Pro Tem of the Senate during the ensuing interim. Senator Bowman was elected to this body in the fall of 1990, serving his first three sessions on the Human Services Committee and the Agriculture Committee, where he became chairman. He has served the past three sessions on the Appropriations Committee, and I think everyone realizes and appreciates the service that he provides on that committee.

His goal in representing the largest district in the state has always been to support rural and urban issues, values, and people. Mr. President, I proudly present the name of Senator Bill Bowman as Interim President Pro Tempore of the North Dakota Senate.

SEN. KELSH: Mister President, I submit into nomination, my seat mate and friend, Senator David O'Connell. I think he is probably one of the most respected people in this body on both sides of the aisle. He's very thoughtful and I think you could say he's a man who has "been there and done that." He just mentioned that he has been on 61 different conference committees so I think he understands all the issues that have been brought before us this session.

While serving on the Education Committee and other committees he is very diplomatic, I think you all know that, as well as being strong and very independent. He does what he thinks is best for the people of his district and the state of North Dakota. He is not partisan in any shape. He is very responsible. He talks about rural issues; he "hangs in there." He is responsible to the people who elected him and sent him here.

I don't think anyone could say he does not have a sense of humor. After sitting with me for the last couple of sessions, he still smiles, he's got to have a sense of humor. He is very even tempered; I've never seen him lose it. That, I think, is the reason he is so well-respected. I ask you to give him every consideration as President Pro Tem of the Senate. Thank you.

ANNOUNCEMENT

PRESIDENT DALRYMPLE ANNOUNCED that the vote for the office of Interim President Pro Tempore showed the Senate was in favor of electing Senator Bowman as Interim President Pro Tempore.

REMARKS BY SENATOR O'CONNELL

Thank you Mister President. Any other day I'd ask for a recount, or a verification vote. I don't know what to say. I think I need to apologize to my seat mate, because I called him a "scoundrel" the other day. I called him a scoundrel for something he said but I've come to realize that scoundrels can be sociable, too. Thank you, Senator Kelsh, for such a great tribute.

I move that the Senate cast a unanimous ballot for the Senator Bowman as Interim President Pro Tem. I wish to be the first to congratulate Senator Bowman and pray that the Lord be with him and his mother at this time. I also would like to extend an invitation to everyone in the Senate to attend my wedding to Ann Johnson at two o'clock on June 3, 2001, at St. Mark's Catholic Church in Bottineau.

MOTION

The motion that the Senate cast a unanimous ballot in favor of Senator Bowman as Interim President Pro Tempore prevailed.

MOTION

SEN. G. NELSON MOVED that a committee of two be appointed to escort the Interim President Pro Tem, Senator Bill Bowman, to the rostrum, which motion prevailed.

OATH OF OFFICE

PRESIDENT DALRYMPLE APPOINTED Sens. Nething and O'Connell as a committee of two, to escort Sen. Bowman to the rostrum for the Oath of Office, which was administered by the President.

REMARKS OF SENATOR BOWMAN

Mister President, Chamber Staff, and fellow Senators: It is an honor to stand before you today as your elected President Pro Tem. My congratulations to the minority party selection, Senator O'Connell, from District 6. Also, I applaud Senator Krebsbach for the great job she did serving this past session. She deserves a hand.

Who would have "thunk it" that a child of nine, going to a rural school in Slope County (Mound) would end up as the majority party nominee for President Pro Tem? I thought serving as Slope County YCL President was a great honor. This was my very first visit to Bismarck, learning about how state government works. I was in the eighth grade. I was overwhelmed at the sight of this Capitol. Then to be elected a Senator from the largest rural district in the state was indeed, and still is, the greatest experience of my life. Now, being elected by my peers as President Pro Tem tops the chart. My youngest daughter would probably say, "Cool, Dad."

I will do my very best, if called upon, to conduct the business of the Senate in a professional manner, respecting both the majority and minority parties. Once again, thanks.

MOTION

SEN. CHRISTMANN MOVED that the remarks of Sen. Bowman be printed in the Journal, which motion prevailed.

MOTION

SEN. G. NELSON MOVED that Sen. Christmann be temporarily appointed as a member of the **Education Committee**, which motion prevailed.

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

MR. SPEAKER: The Senate has passed unchanged: HB 1052.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2020.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has not adopted the conference committee report SB 2159 and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

SB 2159: Reps. Price; Pollert; Mahoney

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 11:00 a.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. STENEHJEM MOVED that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on Engrossed SB 2159, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on Engrossed SB 2159: Sens. Stenehjem, Mutch, Heitkamp.

ANNOUNCEMENT OF INTERIM APPOINTMENTS

PRESIDENT DALRYMPLE ANNOUNCED the following Senate interim appointments:

Legislative Council

Senator John M. Andrist
Senator Dwight Cook
Senator Judy Lee
Senator Dave Nething
Senator Tim Mathern
Senator Larry J. Robinson

Capitol Grounds Planning Commission

Senator Dick Dever
Senator Dennis Bercier

Medical Center Advisory Council

Senator Robert S. Erbele

Comprehensive Health Association of North Dakota

Senator Judy Lee

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

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

SB 2159: Sens. Stenehjem; Mutch; Heitkamp

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

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

SB 2016: Reps. Belter; Timm; Warner

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1006, HB 1045, HB 1052, HB 1399, HCR 3073.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2011, SB 2020.

MOTION

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

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MOTION

SEN. KLEIN MOVED that the name of Senator Ray Holmberg be placed in nomination for the position of member of the Education Commission of the States, which motion prevailed.

MOTION

SEN. KRAUTER MOVED that the name of Senator Jerry Kelsh be placed in nomination for the position of member of the Education Commission of the States, which motion prevailed.

MOTION

SEN. KELSH MOVED that the Senate cast a unanimous ballot electing Sen. Holmberg to the Education Commission of the States, which motion prevailed.

ANNOUNCEMENT

PRESIDENT DALRYMPLE ANNOUNCED that the record would show a unanimous ballot was cast for Senator Holmberg for the Education Commission of the States.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1006, HB 1045, HB 1052, HB 1399, HCR 3073.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 28, 2001: SB 2011, SB 2020.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 2:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

REPORT OF CONFERENCE COMMITTEE

SB 2159, as engrossed: Your conference committee (Sens. Stenehjem, Mutch, Heitkamp and Reps. Price, Pollert, Mahoney) recommends that the **SENATE RECEDE** from the House amendments on SJ pages 1402-1405, adopt amendments as follows, and place SB 2159 on the Seventh order:

That the House recede from its amendments as printed on pages 1402-1405 of the Senate Journal and pages 1525-1528 of the House Journal and that Engrossed Senate Bill No. 2159 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 39-04-08.1, 39-04-19, subsection 2 of section 39-04-36, and section 39-22-12 of the North Dakota Century Code, relating to number plate use and fees and a motor vehicle dealer licensing exemption; to repeal section 39-04-09.1 of the North Dakota Century Code, relating to Lewis and Clark number plates; to provide for a legislative council study; to provide application of points and fees; to provide a temporary allocation; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 39-04-08.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. ~~Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly~~

~~assigned~~: The department of transportation may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 2. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$50.00 <u>\$57.00</u>	\$42.00 <u>\$49.00</u>	\$34.00 <u>\$41.00</u>	\$26.00 <u>\$33.00</u>	
3,200 - 4,499	70.00 <u>77.00</u>	58.00 <u>65.00</u>	46.00 <u>53.00</u>	34.00 <u>41.00</u>	
4,500 - 4,999	88.00 <u>95.00</u>	74.00 <u>81.00</u>	66.00 <u>73.00</u>	54.00 <u>61.00</u>	
5,000 - 5,999	119.00 <u>126.00</u>	97.00 <u>104.00</u>	75.00 <u>82.00</u>	63.00 <u>70.00</u>	
6,000 - 6,999	152.00 <u>159.00</u>	123.00 <u>130.00</u>	94.00 <u>101.00</u>	82.00 <u>89.00</u>	
7,000 - 7,999	185.00 <u>192.00</u>	149.00 <u>156.00</u>	114.00 <u>121.00</u>	102.00 <u>109.00</u>	
8,000 - 8,999	218.00 <u>225.00</u>	176.00 <u>183.00</u>	134.00 <u>141.00</u>	122.00 <u>129.00</u>	
9,000 and over	251.00 <u>258.00</u>	202.00 <u>209.00</u>	154.00 <u>161.00</u>	142.00 <u>149.00</u>	

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$48.00 <u>\$55.00</u>	\$35.00 <u>\$42.00</u>	\$30.00 <u>\$37.00</u>	\$27.00 <u>\$34.00</u>	\$26.00 <u>\$33.00</u>
4,001 - 6,000	53.00 <u>60.00</u>	40.00 <u>47.00</u>	34.00 <u>41.00</u>	28.00 <u>35.00</u>	27.00 <u>34.00</u>
6,001 - 8,000	58.00 <u>65.00</u>	45.00 <u>52.00</u>	38.00 <u>45.00</u>	29.00 <u>36.00</u>	28.00 <u>35.00</u>
8,001 - 10,000	63.00 <u>70.00</u>	50.00 <u>57.00</u>	42.00 <u>49.00</u>	34.00 <u>41.00</u>	30.00 <u>37.00</u>
10,001 - 12,000	68.00 <u>75.00</u>	55.00 <u>62.00</u>	46.00 <u>53.00</u>	37.00 <u>44.00</u>	32.00 <u>39.00</u>
12,001 - 14,000	73.00 <u>80.00</u>	60.00 <u>67.00</u>	50.00 <u>57.00</u>	40.00 <u>47.00</u>	35.00 <u>42.00</u>
14,001 - 16,000	78.00 <u>85.00</u>	65.00 <u>72.00</u>	54.00 <u>61.00</u>	43.00 <u>50.00</u>	38.00 <u>45.00</u>
16,001 - 18,000	83.00 <u>90.00</u>	70.00 <u>77.00</u>	58.00 <u>65.00</u>	47.00 <u>54.00</u>	40.00 <u>47.00</u>
18,001 - 20,000	86.00 <u>93.00</u>	73.00 <u>80.00</u>	60.00 <u>67.00</u>	49.00 <u>56.00</u>	41.00 <u>48.00</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$116.00 <u>\$123.00</u>	\$90.00 <u>\$97.00</u>	\$77.00 <u>\$84.00</u>
22,001 - 26,000	168.00 <u>175.00</u>	138.00 <u>145.00</u>	122.00 <u>129.00</u>

26,001 - 30,000	229.00 236.00	487.00 194.00	165.00 172.00
30,001 - 34,000	295.00 302.00	240.00 247.00	212.00 219.00
34,001 - 38,000	356.00 363.00	289.00 296.00	255.00 262.00
38,001 - 42,000	417.00 424.00	338.00 345.00	297.00 304.00
42,001 - 46,000	478.00 485.00	386.00 393.00	340.00 347.00
46,001 - 50,000	539.00 546.00	435.00 442.00	383.00 390.00
50,001 - 54,000	609.00 616.00	493.00 500.00	434.00 441.00
54,001 - 58,000	670.00 677.00	542.00 549.00	477.00 484.00
58,001 - 62,000	731.00 739.00	591.00 598.00	520.00 527.00
62,001 - 66,000	792.00 799.00	639.00 646.00	563.00 570.00
66,001 - 70,000	853.00 860.00	688.00 695.00	606.00 612.00
70,001 - 74,000	914.00 921.00	737.00 744.00	648.00 655.00
74,001 - 78,000	975.00 982.00	786.00 793.00	691.00 698.00
78,001 - 82,000	1,036.00 1,043.00	835.00 842.00	734.00 741.00
82,001 - 86,000	1,159.00 1,166.00	940.00 947.00	821.00 828.00
86,001 - 90,000	1,281.00 1,288.00	1,044.00 1,051.00	908.00 915.00
90,001 - 94,000	1,403.00 1,410.00	1,149.00 1,156.00	995.00 1,002.00
94,001 - 98,000	1,525.00 1,532.00	1,254.00 1,261.00	1,083.00 1,090.00
98,001 - 102,000	1,647.00 1,654.00	1,358.00 1,365.00	1,170.00 1,177.00
102,001 - 105,500	1,769.00 1,776.00	1,463.00 1,470.00	1,257.00 1,264.00

c. Motorcycles, fifteen dollars.

- Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
- Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
- Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years	
20,001 - 22,000	\$88.00 \$95.00	\$74.00 \$81.00	\$60.00 \$67.00	\$42.00 \$49.00	
22,001 - 24,000	93.00 100.00	78.00 85.00	63.00 70.00	44.00 51.00	
24,001 - 26,000	101.00 108.00	84.00 91.00	67.00 74.00	46.00 53.00	
26,001 - 28,000	111.00 119.00	92.00 99.00	73.00 80.00	50.00 57.00	
28,001 - 30,000	121.00 128.00	100.00 107.00	79.00 86.00	54.00 61.00	

30,001 - 32,000	436.00 143.00	443.00 120.00	99.00 97.00	63.00 70.00
32,001 - 34,000	446.00 153.00	424.00 128.00	96.00 103.00	67.00 74.00
34,001 - 36,000	456.00 163.00	429.00 136.00	402.00 109.00	71.00 78.00
36,001 - 38,000	466.00 173.00	437.00 144.00	408.00 115.00	75.00 82.00
38,001 - 40,000	476.00 183.00	445.00 152.00	414.00 121.00	79.00 86.00
40,001 - 42,000	486.00 193.00	453.00 160.00	420.00 127.00	83.00 90.00
42,001 - 44,000	496.00 203.00	461.00 168.00	426.00 133.00	87.00 94.00
44,001 - 46,000	206.00 213.00	469.00 176.00	432.00 139.00	91.00 98.00
46,001 - 48,000	216.00 223.00	477.00 184.00	438.00 145.00	95.00 102.00
48,001 - 50,000	226.00 233.00	485.00 192.00	444.00 151.00	99.00 106.00
50,001 - 52,000	246.00 253.00	203.00 210.00	460.00 167.00	413.00 120.00
52,001 - 54,000	256.00 263.00	211.00 218.00	466.00 173.00	417.00 124.00
54,001 - 56,000	266.00 273.00	219.00 226.00	472.00 179.00	421.00 128.00
56,001 - 58,000	276.00 283.00	227.00 234.00	478.00 185.00	425.00 132.00
58,001 - 60,000	286.00 293.00	235.00 242.00	484.00 191.00	429.00 136.00
60,001 - 62,000	296.00 303.00	243.00 250.00	490.00 197.00	433.00 140.00
62,001 - 64,000	306.00 313.00	251.00 258.00	496.00 203.00	437.00 144.00
64,001 - 66,000	316.00 323.00	259.00 266.00	202.00 209.00	441.00 148.00
66,001 - 68,000	326.00 333.00	267.00 274.00	208.00 215.00	445.00 152.00
68,001 - 70,000	336.00 343.00	275.00 282.00	214.00 221.00	449.00 156.00
70,001 - 72,000	346.00 353.00	283.00 290.00	220.00 227.00	453.00 160.00
72,001 - 74,000	356.00 363.00	291.00 298.00	226.00 233.00	457.00 164.00
74,001 - 76,000	366.00 373.00	299.00 306.00	232.00 239.00	461.00 168.00
76,001 - 78,000	376.00 383.00	307.00 314.00	238.00 245.00	465.00 172.00
78,001 - 80,000	386.00 393.00	315.00 322.00	244.00 251.00	469.00 176.00
80,001 - 82,000	396.00 403.00	323.00 330.00	250.00 257.00	473.00 180.00
82,001 - 84,000	406.00 413.00	345.00 352.00	293.00 300.00	249.00 256.00
84,001 - 86,000	426.00 433.00	362.00 369.00	307.00 314.00	261.00 268.00
86,001 - 88,000	446.00 453.00	379.00 386.00	321.00 328.00	273.00 280.00
88,001 - 90,000	466.00 473.00	396.00 403.00	335.00 342.00	285.00 292.00
90,001 - 92,000	486.00 493.00	413.00 420.00	349.00 356.00	297.00 304.00
92,001 - 94,000	506.00 513.00	430.00 437.00	363.00 370.00	309.00 316.00
94,001 - 96,000	526.00 533.00	447.00 454.00	377.00 384.00	321.00 328.00
96,001 - 98,000	546.00 553.00	464.00 471.00	391.00 398.00	333.00 340.00
98,001 - 100,000	566.00 573.00	481.00 488.00	405.00 412.00	345.00 352.00
100,001 - 102,000	586.00 593.00	498.00 505.00	419.00 426.00	357.00 364.00
102,001 - 104,000	606.00 613.00	515.00 522.00	433.00 440.00	369.00 376.00
104,001 - 105,500	626.00 633.00	532.00 539.00	447.00 454.00	381.00 388.00

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 3. AMENDMENT. Subsection 2 of section 39-04-36 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. Upon applying for the transfer of the registration and paying a five dollar fee, a person who transfers or assigns to another person the ownership of a registered vehicle may receive credit for the unused portion of the fees paid for the transferred vehicle. The transferor must use a number plate previously removed pursuant to subsection 1, regardless of whether there is any license fee credit remaining. If the number plate has become lost, stolen, or mutilated, the transferor may apply for duplicate plates. The department may establish procedures that permit the transferor to assign the credit to the transferee if the transferor is the spouse, a sibling, or a lineal ancestor or descendant of the transferee. One-twelfth of the annual fee must be credited for each month of the registration period remaining after the month in which the transfer is made. The credit may not extend beyond the original expiration of the registration. Except as provided in section 39-04-44, the credit must be applied to the registration fees for a replacement vehicle. The transferor shall apply for the transfer of registration within thirty days of the purchase of the replacement vehicle.

SECTION 4. AMENDMENT. Section 39-22-12 of the North Dakota Century Code is amended and reenacted as follows:

39-22-12. Officers to administer chapter - House car dealer, manufacturer, and distributor exemption. The director and any duly authorized representative ~~shall be~~ are responsible for the administration of ~~the provisions of~~ this chapter. This chapter does not apply to house car dealers, manufacturers, and distributors.

SECTION 5. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying during the 2001-02 interim highway construction and maintenance funding, including revenue sources and distribution formulas for the state, cities, and counties. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 6. APPLICATION OF DEMERIT POINTS OR FEES. The operator's license demerit points or fees for driving in violation of section 39-09-02, or equivalent ordinance, as provided by Senate Bill No. 2088, as passed by the fifty-seventh legislative assembly, do not apply to offenses committed before July 1, 2001.

SECTION 7. TEMPORARY ALLOCATION. Two dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 8. REPEAL. Section 39-04-09.1 of the North Dakota Century Code is repealed.

SECTION 9. EFFECTIVE DATE. Section 2 of this Act is effective for registrations due after June 30, 2001. Section 1 of this Act becomes effective on January 1, 2003. Section 8 of this Act becomes effective on January 1, 2007.

SECTION 10. EXPIRATION DATE. Section 7 of this Act is effective through June 30, 2003, and after that date is ineffective."

Renumber accordingly

Engrossed SB 2159 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. STENEHJEM MOVED that the conference committee report on Engrossed SB 2159 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2159, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2159: A BILL for an Act to amend and reenact sections 39-04-08.1, 39-04-19, subsection 2 of section 39-04-36, and section 39-22-12 of the North Dakota Century Code, relating to number plate use and fees and a motor vehicle dealer licensing exemption; to repeal section 39-04-09.1 of the North Dakota Century Code, relating to Lewis and Clark number plates; to provide for a legislative council study; to provide application of points and fees; to provide a temporary allocation; to provide an effective date; and to provide an expiration 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 28 YEAS, 20 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Christmann; Dever; Espgaard; Every; Fischer; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kroeplin; Lee; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nothing; Polovitz; Robinson; Tallackson; Tomac; Traynor; Urlacher; Wanzek; Wardner; Watne

NAYS: Bercier; Christenson; Cook; Erbele; Flakoll; Freborg; Kelsh; Krauter; Kringstad; Lyson; Mutch; Nelson, G.; Nichols; O'Connell; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Trenbeath

ABSENT AND NOT VOTING: Bowman

Reengrossed SB 2159 passed and the title was agreed to.

MOTION

SEN. G. NELSON MOVED that Sen. Christmann be removed as temporary member of the Education Committee, which motion prevailed.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2159.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 4:30 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 28, 2001, I have signed the following: SB 2002, SB 2015, SB 2019, SB 2021, SB 2022, SB 2032, SB 2229, SB 2361, and SB 2380.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2159.

REPORT OF STANDING COMMITTEE

HB 1344, as reengrossed: Education Committee (Sen. Freborg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1344 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide contingent payments for declining enrollment and the distribution of differing payment amounts; to create and enact four new sections to chapter 15-40.1 and one new section to chapter 15.1-02 of the North Dakota Century Code or in the alternative to create and enact four new sections to chapter 15.1-27 of the North Dakota Century Code, relating to the compensation of teachers and a school district compensation report; to amend and reenact sections 15-40.1-06 and 57-15-27 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-27-04 and 15.1-27-05 of the North Dakota Century Code, relating to per student payments and ending fund balances; to provide legislative intent; to provide for a legislative council study; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. If House Bill No. 1045 does not become effective, section 15-40.1-06 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-06. Declaration of legislative intent - Educational support per student - School district equalization factor - Limitations.

1. It is the intent of the legislative assembly to support elementary and secondary education in this state from state funds. For purposes of this section, state funds include all appropriations for foundation aid, tuition apportionment, supplemental per student payments, special education, vocational education, transportation aid, school district technology, the governor's school, teacher centers, and the leadership in educational administration development consortium. For purposes of distributing state funds, the superintendent of public instruction shall determine the educational cost per student. In determining the educational cost per student, the superintendent may not use:
 - a. Expenditures for capital outlay for buildings and sites, or debt service.
 - b. Expenditures from school activities and school lunch programs.
 - c. Expenditures for the cost of transportation, including the cost of schoolbuses.
2. a. The educational support per student ~~during for~~ the first year of the ~~1999-2004~~ 2001-03 biennium ~~must be~~ is ~~two thousand one~~ two thousand forty-five ~~eighty-seven~~ eighty-seven dollars and. The educational support per student for the second year of the ~~1999-2004~~ 2001-03 biennium ~~the educational support per student must be~~ is ~~two thousand two~~ two thousand ~~one~~ one hundred ~~forty-five~~ forty-five ~~eighty-seven~~ eighty-seven dollars and.

three hundred ~~thirty~~ forty-seven dollars ~~and~~. The educational support per student is the basis for calculating grants-in-aid on a per student basis as provided in sections 15-40.1-07 and 15-40.1-08.

- b. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 must be supported in the amount of two hundred twenty dollars, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07.
 - c. School districts operating high schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1991, or that become unaccredited in any succeeding school year must be supported for the first year that they become unaccredited in the amount of the educational support per student established in subdivision a, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07, but those school districts are not entitled to the amounts resulting from applying the factors in that section. The amount of aid a school district is entitled to under this subsection for each high school that is not accredited must be reduced by two hundred dollars times the number of students in the school for the second school year that the high school is unaccredited, and an additional two hundred dollars per student in the unaccredited school for each additional year the school remains unaccredited. Any high school that becomes accredited is entitled to the per student payments provided for in section 15-40.1-07 for the entire school year in which the school becomes accredited.
 - d. School districts operating elementary schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1992, or that become unaccredited in any succeeding school year must be supported for the first year that they become unaccredited in the amount of the educational support per student established in subdivision a, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-08, except that the amount of aid that a school district is entitled to under this subsection for each elementary school that is unaccredited must be reduced by two hundred dollars times the number of students in the school each year that the elementary school is unaccredited. Any elementary school that becomes accredited is entitled to the per student payments provided for in section 15-40.1-08 for the entire school year in which the school becomes accredited.
3. ~~In determining the amount of payments due a school district for tuition apportionment provided in section 15-44-03, and per student aid under this section, the amount of district, the superintendent of public instruction shall add the tuition apportionment, foundation aid payments, per student payments, special education aid, and transportation aid, and teacher compensation payments for which a school district is eligible must be added together, and from that total; subtract the following amounts must be subtracted:~~
- a. The product of thirty-two mills times the latest available net assessed and equalized valuation of property of the school district.
 - b. The amount that the unobligated general fund balance of a school district on the preceding June thirtieth is in excess of ~~three-fourths~~ fifty percent of the its actual expenditures, plus an additional twenty thousand dollars.
4. No school district may receive foundation payments beyond the October payment unless the following reports have been filed with the superintendent of public instruction:
- a. Annual average daily membership report.
 - b. Annual school district financial report.
 - c. The September tenth fall enrollment report.

- d. The personnel report forms for certified and noncertified employees.
5. No school district may receive the January foundation payment unless the taxable valuation and mill levy certifications are on file with the department of public instruction by December fifteenth.

SECTION 2. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Definitions. For purposes of sections 3 through 5 of this Act:

1. "Compensation" includes all salaries, benefits, commissions, memberships, the provision of housing, the provision of vehicles, and any other payments, in lieu of payments, or services, reportable as gross income under the Internal Revenue Code.
2. "Teacher" means an individual, other than an administrator, who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and who is employed by the board of a school district in a position classified by the superintendent of public instruction as of July 1, 2001, as:
 - a. A class 22 coordinator;
 - b. A class 37 guidance counselor or school counselor;
 - c. A class 38 guidance counselor designate;
 - d. A class 40 instructional programmer;
 - e. A class 41 library media specialist;
 - f. A class 56 pupil personnel service provider;
 - g. A class 59 school psychologist;
 - h. A class 62 speech-language pathologist;
 - i. A class 68 supervisor;
 - j. A class 70 teacher or special education teacher; or
 - k. A class 72 tutor in training.

SECTION 3. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15-38.1, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to increase the compensation of teachers employed by the district.
2. The claim must include:
 - a. The number of full-time equivalent teachers employed by the district as of September fifteenth;
 - b. The number of full-time equivalent teachers who will receive an increase in compensation over the amount paid during the previous school year; and
 - c. The total amount of the increase in compensation.
3. a. For the 2001-02 school year, the reimbursement provided for in this section may not exceed one thousand dollars multiplied by the

number of full-time equivalent teachers employed by the district as of September 15, 2001.

- b. Except as provided in subdivision c, for the 2002-03 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2002.
 - c. For the 2002-03 school year, the reimbursement under this section for each individual employed as of September 15, 2002, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
- 4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area vocational and technology center to which the district belongs.
 - 5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 4. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Distribution of reimbursement. The superintendent of public instruction shall distribute approximately one-sixth of the total amount to which each school district is entitled under section 3 of this Act on or before the first day of each November, December, January, February, March, and May.

SECTION 5. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Annual salary - Minimum amount. Beginning with the 2001-02 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base salary level for the contract period equal to at least eighteen thousand five hundred dollars. Beginning with the 2002-03 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base salary level for the contract period equal to at least twenty thousand dollars.

SECTION 6. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

School district employee compensation report.

- 1. Before September eleventh of each year, beginning in 2002, each school district shall provide the following information to the superintendent of public instruction, with respect to teachers and with respect to administrators:
 - a. The total amount of base salary.
 - b. The total amount of compensation reportable as gross income under the Internal Revenue Code.
 - c. Any other compensation paid or provided to or on behalf of individuals employed as teachers and as administrators.
 - d. Health insurance benefits paid to or on behalf of individuals employed as teachers and as administrators.
 - e. Retirement contributions and assessments paid on behalf of individuals employed as teachers and as administrators, and including individual shares if paid by the district.
 - f. Any other benefits paid or provided to or on behalf of individuals employed as teachers and as administrators.

2. The superintendent of public instruction shall:
 - a. Compile the information required by subsection 1 in a manner that allows for accurate comparisons based on:
 - (1) Full-time versus part-time personnel;
 - (2) A normal schoolday versus an extended schoolday; and
 - (3) A regular school calendar of approximately one hundred eighty days versus an extended school year.
 - b. Forward a copy of the compiled information to the governor and the chairman of the legislative council.
3. If any school district fails without good cause to provide the information required by this section on or before September tenth and in the manner directed by the superintendent of public instruction, the superintendent shall withhold all state aid until the information is received.
4. For purposes of this section:
 - a. "Administrator" means an individual employed by a school district in an administrative position and includes a school district superintendent, an assistant or associate superintendent, a principal, an assistant principal, a special education director, a vocational education director, and any other individual whose position requires an administrator's credential.
 - b. "Teacher" means an individual, other than an administrator, who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and who is employed by the board of a school district in a position classified by the superintendent of public instruction as of July 1, 2001, as:
 - (1) A class 22 coordinator;
 - (2) A class 37 guidance counselor or school counselor;
 - (3) A class 38 guidance counselor designate;
 - (4) A class 40 instructional programmer;
 - (5) A class 41 library media specialist;
 - (6) A class 56 pupil personnel service provider;
 - (7) A class 59 school psychologist;
 - (8) A class 62 speech-language pathologist;
 - (9) A class 68 supervisor;
 - (10) A class 70 teacher or special education teacher; or
 - (11) A class 72 tutor in training.

SECTION 7. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

15.1-27-04. Per student payment. The per student payment to which each school district is entitled for the first year of the biennium is two thousand ~~one~~ ~~two~~ ~~hundred~~ ~~forty~~ ~~five~~ ~~eighty~~ ~~seven~~ dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand ~~two~~ ~~three~~ ~~hundred~~ ~~thirty~~ ~~forty~~ ~~seven~~ dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

SECTION 8. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

15.1-27-05. School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~and~~ transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of thirty-two mills times the latest available net assessed and equalized valuation of property in the district.
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of ~~seventy-five~~ fifty percent of its actual expenditures, plus twenty thousand dollars.

SECTION 9. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Definitions. For purposes of sections 10 through 12 of this Act:

1. "Compensation" includes all salaries, benefits, commissions, memberships, the provision of housing, the provision of vehicles, and any other payments, in lieu of payments, or services, reportable as gross income under the Internal Revenue Code.
2. "Teacher" means an individual, other than an administrator, who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and who is employed by the board of a school district in a position classified by the superintendent of public instruction as of July 1, 2001, as:
 - a. A class 22 coordinator;
 - b. A class 37 guidance counselor or school counselor;
 - c. A class 38 guidance counselor designate;
 - d. A class 40 instructional programmer;
 - e. A class 41 library media specialist;
 - f. A class 56 pupil personnel service provider;
 - g. A class 59 school psychologist;
 - h. A class 62 speech-language pathologist;
 - i. A class 68 supervisor;
 - j. A class 70 teacher or special education teacher; or
 - k. A class 72 tutor in training.

SECTION 10. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15.1-16, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to increase the compensation of teachers employed by the district.
2. The claim must include:

- a. The number of full-time equivalent teachers employed by the district as of September fifteenth;
 - b. The number of full-time equivalent teachers who will receive an increase in compensation over the amount paid during the previous school year; and
 - c. The total amount of the increase in compensation.
3. a. For the 2001-02 school year, the reimbursement provided for in this section may not exceed one thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2001.
- b. Except as provided in subdivision c, for the 2002-03 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2002.
- c. For the 2002-03 school year, the reimbursement under this section for each individual employed as of September 15, 2002, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area vocational and technology center to which the district belongs.
5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 11. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Distribution of reimbursements. The superintendent of public instruction shall distribute approximately one-sixth of the total amount to which each school district is entitled under section 10 of this Act on or before the first day of each November, December, January, February, March, and May.

SECTION 12. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Annual salary - Minimum amount. Beginning with the 2001-02 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a level of salary for the contract period equal to at least eighteen thousand five hundred dollars. Beginning with the 2002-03 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base salary level for the contract period equal to at least twenty thousand dollars.

SECTION 13. AMENDMENT. Section 57-15-27 of the North Dakota Century Code is amended and reenacted as follows:

57-15-27. Interim fund. ~~The governing body of any county, city, school district, park district, or other municipality, other than a school district, which is authorized to levy taxes may include in its budget an item to be known as the "interim fund" which must be carried over to the next ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the municipality may be legally extended, for that portion of such fiscal year prior to the receipt of taxes therein. In no case may such the interim fund be in excess of the amount reasonably required to finance the municipality for the first nine months of the next ensuing fiscal year. Such~~ The interim fund may not be in excess of three-fourths of the current annual appropriation for all purposes other than debt retirement purposes and appropriations financed from bond sources ~~and, for school districts, an additional twenty thousand dollars.~~

SECTION 14. CONTINGENT PAYMENT - DECLINING ENROLLMENT.

1. If the superintendent of public instruction determines that the portion of the grants-foundation aid and transportation line item designated for per student payments in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, exceeds the estimated expenditure for per student payments during the first year of the 2001-03 biennium by an amount sufficient to provide for a distribution of one hundred fifty dollars times the number of students by which each district's 2000-01 fall enrollment is less than the district's 1997-98 fall enrollment, the superintendent shall distribute one hundred fifty dollars times the number of students by which a district's 2000-01 fall enrollment is less than that district's 1997-98 fall enrollment.
2. If the superintendent of public instruction determines that the portion of the grants-foundation aid and transportation line item designated for per student payments in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, does not exceed the estimated expenditure for per student payments during the first year of the 2001-03 biennium by the amount required for a payment under subsection 1, the superintendent may not distribute any amounts under subsection 1.
3. If the superintendent of public instruction determines that the portion of the grants-foundation aid and transportation line item designated for per student payments in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, exceeds the estimated expenditure for per student payments during the second year of the 2001-03 biennium, the superintendent shall distribute two hundred fifty dollars times the number of students by which a district's 2000-01 fall enrollment is less than that district's 1997-98 fall enrollment, or a lesser proportionate amount if the amount available is insufficient to provide for a distribution of two hundred fifty dollars times the number of students by which each district's 2000-01 fall enrollment is less than the district's 1997-98 fall enrollment.
4. No school district may receive payments for declining enrollments in excess of four hundred students under this section.
5. During the 2001-03 biennium, no school district may receive more than two hundred fifty dollars times the number of students by which the district's 2000-01 fall enrollment is less than that district's 1997-98 fall enrollment.

SECTION 15. DISTRIBUTION OF DIFFERENCE IN PAYMENT AMOUNTS - HOLD HARMLESS - CONTINGENT PAYMENTS.

1. a. If funds appropriated by the legislative assembly to the grants-foundation aid and transportation line item in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, remain after completion of all statutory obligations, including the payment of funds for declining enrollment under section 14 of this Act, to the extent of legislative appropriations, the superintendent of public instruction shall:
 - (1) Calculate the payment to which a school district is entitled during the 2001-03 biennium under this Act; and
 - (2) Calculate the payment to which a school district would have been entitled during the 2001-03 biennium under this Act if the per student payment established in section 15-40.1-06 or section 7 of this Act for the first year of the biennium were two thousand four hundred thirty-nine dollars and for the second year of the biennium were two thousand five hundred two dollars and if no level of teacher compensation were established in this Act.
- b. If the amount to which a school district is entitled during the biennium under this Act does not exceed the amount to which a school district would have been entitled under the parameters of subsection 2, the superintendent of public instruction shall forward the difference between the amounts to the school district on or before June 30, 2003.

- c. The superintendent may distribute up to \$2,000,000 of such contingent funds as hold harmless payments under this subsection. If insufficient funds exist to provide payments under this subsection, the superintendent shall prorate the amount to which the districts are entitled.
2. If funds appropriated by the legislative assembly to the grants-teacher compensation payments line item in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, remain after completion of all statutory obligations, to the extent of legislative appropriations, the superintendent of public instruction shall distribute the remaining funds as additional per student payments under chapter 15-40.1 or 15.1-27.
3. If funds appropriated by the legislative assembly to the grants-foundation aid and transportation line item in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, remain after completion of all statutory obligations, to the extent of legislative appropriations, the superintendent of public instruction shall distribute the remaining funds as additional per student payments under chapter 15-40.1 or 15.1-27.

SECTION 16. APPROPRIATION - GRANTS FOR NATIONAL TEACHER CERTIFICATION.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$41,500, or so much of the sum as may be necessary, to the education standards and practices board for the purpose of making grants to assist teachers in obtaining national certification, for the biennium beginning July 1, 2001, and ending June 30, 2003.
2. An individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board may file an application with the board for a grant to assist with the cost of obtaining national teacher certification after July 1, 2001.
3. The education standards and practices board shall review each application chronologically.
4. A successful applicant is eligible to receive a grant in the amount of \$1,150 to assist with the assessment costs of national teacher certification.
5. At the conclusion of each of the first four full school years after the individual obtains the national teacher certification, the individual is entitled to receive an additional \$1,500, if:
 - a. The individual served during the school year as a full-time classroom teacher in a public school in this state; and
 - b. The individual participated in any efforts of the employing school district to develop and implement teacher mentoring programs and teacher evaluation programs.

SECTION 17. TEACHER COMPENSATION PACKAGE - LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying the feasibility and desirability of implementing a teacher compensation package that recognizes four levels of teachers from beginning to advanced and which bases the compensation level for each category on the individual teacher's ability to meet or exceed district standards for content knowledge, planning and preparation for instruction, instructional delivery, student assessment, classroom management, and professional responsibility. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 18. LEGISLATIVE INTENT - GOALS OF SCHOOL DISTRICT REORGANIZATION. It is the intent of the fifty-seventh legislative assembly that each reorganization of school districts result in a newly formed district that has long-term sustainability from a demographic and fiscal perspective and that can offer to current students and to students in the foreseeable future academic integrity and educational opportunities designed to enhance the students' natural talents and curiosities and ultimately enhance their lives, their career choices, and their ability to contribute to the

society in which they find themselves as adults. It is the further intent of the fifty-seventh legislative assembly that the state board of public school education maintain cognizance of the fact that meeting these goals requires school districts participating in a reorganization to include at least one district that offers educational services to all its students from kindergarten through grade twelve and consists of a student population equaling at least two hundred twenty-five.

SECTION 19. APPROPRIATION - SCHOOL DISTRICT COMPENSATION REPORT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of developing and implementing a school district employee compensation report as provided in section 6 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 20. EFFECTIVE DATE. Subdivision b of subsection 3 of section 15-40.1-06 of the North Dakota Century Code as amended by section 1 of this Act, subsection 2 of section 15.1-27-05 of the North Dakota Century Code as amended by section 8 of this Act, and section 13 of this Act become effective on July 1, 2004."

Renumber accordingly

CONSIDERATION OF AMENDMENTS

HB 1344, as reengrossed: SEN. FLAKOLL (Education Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1344: A BILL for an Act to provide contingent payments for declining enrollment and the distribution of differing payment amounts; to create and enact four new sections to chapter 15-40.1 and one new section to chapter 15.1-02 of the North Dakota Century Code or in the alternative to create and enact four new sections to chapter 15.1-27 of the North Dakota Century Code, relating to the compensation of teachers and a school district compensation report; to amend and reenact sections 15-40.1-06 and 57-15-27 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-27-04 and 15.1-27-05 of the North Dakota Century Code, relating to per student payments and ending fund balances; to provide legislative intent; to provide for a legislative council study; to provide an appropriation; and to provide an effective date.

REQUEST

SEN. TOMAC REQUESTED that the Senate divide Reengrossed HB 1344, as amended, which request was granted.

DIVISION A: Section 18 of the bill.

DIVISION B: All of the sections of the bill except Section 18.

REQUEST

SEN. KROEPLIN REQUESTED a recorded roll call vote on Division A of Reengrossed HB 1344, as amended, which request was granted.

ROLL CALL

The question being on the final adoption of Division A of Reengrossed HB 1344, as amended, the roll was called and there were 20 YEAS, 28 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Christmann; Cook; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Krebsbach; Kringstad; Lyson; Mutch; Nelson, G.; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Wanzek; Wardner

NAYS: Andrist; Bercier; Christenson; Dever; Erbele; Espegard; Every; Heitkamp; Kelsh; Klein; Krauter; Kroepflin; Lee; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nothing; Nichols; O'Connell; Polovitz; Robinson; Tallackson; Tomac; Traynor; Trenbeath; Urlacher; Watne

ABSENT AND NOT VOTING: Bowman

Division A of Reengrossed HB 1344, as amended, lost.

The question being on the final adoption of Division B of Reengrossed HB 1344, as amended, the motion passed on a voice vote.

Division B of Reengrossed HB 1344, as amended, was adopted.

Therefore, Reengrossed HB 1344, as amended, includes all sections except Section 18.

MOTION

SEN. KELSH MOVED that Reengrossed HB 1344 be amended as follows:

In lieu of the amendments to Reengrossed House Bill No. 1344 as printed on pages _____ of the Senate Journal, Reengrossed House Bill No. 1344 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide contingent payments for declining enrollment and the distribution of differing payment amounts; to create and enact four new sections to chapter 15-40.1 and one new section to chapter 15.1-02 of the North Dakota Century Code or in the alternative to create and enact four new sections to chapter 15.1-27 of the North Dakota Century Code, relating to the compensation of teachers and a school district compensation report; to amend and reenact sections 15-40.1-06 and 57-15-27 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-27-04 and 15.1-27-05 of the North Dakota Century Code, relating to per student payments and ending fund balances; to provide legislative intent; to provide for a legislative council study; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. If House Bill No. 1045 does not become effective, section 15-40.1-06 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-06. Declaration of legislative intent - Educational support per student - School district equalization factor - Limitations.

1. It is the intent of the legislative assembly to support elementary and secondary education in this state from state funds. For purposes of this section, state funds include all appropriations for foundation aid, tuition apportionment, supplemental per student payments, special education, vocational education, transportation aid, school district technology, the governor's school, teacher centers, and the leadership in educational administration development consortium. For purposes of distributing state funds, the superintendent of public instruction shall determine the educational cost per student. In determining the educational cost per student, the superintendent may not use:
 - a. Expenditures for capital outlay for buildings and sites, or debt service.
 - b. Expenditures from school activities and school lunch programs.
 - c. Expenditures for the cost of transportation, including the cost of schoolbuses.
2.
 - a. The educational support per student ~~during~~ for the first year of the ~~1999-2004~~ 2001-03 biennium ~~must be~~ is two thousand ~~one~~ two hundred ~~forty-five~~ thirty-seven dollars ~~and~~. The educational support per student for the second year of the ~~1999-2004~~ 2001-03 biennium ~~the educational support per student must be~~ is two thousand ~~thirty~~ ninety-six dollars ~~and~~. The educational support per student is the basis for calculating grants-in-aid on a per student basis as provided in sections 15-40.1-07 and 15-40.1-08.
 - b. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 must be supported in the amount of two hundred twenty dollars, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07.

- c. School districts operating high schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1991, or that become unaccredited in any succeeding school year must be supported for the first year that they become unaccredited in the amount of the educational support per student established in subdivision a, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-07, but those school districts are not entitled to the amounts resulting from applying the factors in that section. The amount of aid a school district is entitled to under this subsection for each high school that is not accredited must be reduced by two hundred dollars times the number of students in the school for the second school year that the high school is unaccredited, and an additional two hundred dollars per student in the unaccredited school for each additional year the school remains unaccredited. Any high school that becomes accredited is entitled to the per student payments provided for in section 15-40.1-07 for the entire school year in which the school becomes accredited.
 - d. School districts operating elementary schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1992, or that become unaccredited in any succeeding school year must be supported for the first year that they become unaccredited in the amount of the educational support per student established in subdivision a, which is the basis for calculating grants-in-aid on a per student basis as provided in section 15-40.1-08, except that the amount of aid that a school district is entitled to under this subsection for each elementary school that is unaccredited must be reduced by two hundred dollars times the number of students in the school each year that the elementary school is unaccredited. Any elementary school that becomes accredited is entitled to the per student payments provided for in section 15-40.1-08 for the entire school year in which the school becomes accredited.
3. In determining the amount of payments due a school districts for tuition apportionment provided in section 15-44-03, and per student aid under this section, the amount of district, the superintendent of public instruction shall add the tuition apportionment, foundation aid payments, per student payments, special education aid, and transportation aid, and teacher compensation payments for which a school district is eligible ~~must be added together, and from that total, subtract the following amounts must be subtracted:~~
- a. The product of thirty-two mills times the latest available net assessed and equalized valuation of property of the school district.
 - b. The amount that the unobligated general fund balance of a school district on the preceding June thirtieth is in excess of ~~three fourths~~ fifty percent of the its actual expenditures, plus ~~an additional~~ twenty thousand dollars.
4. No school district may receive foundation payments beyond the October payment unless the following reports have been filed with the superintendent of public instruction:
- a. Annual average daily membership report.
 - b. Annual school district financial report.
 - c. The September tenth fall enrollment report.
 - d. The personnel report forms for certified and noncertified employees.
5. No school district may receive the January foundation payment unless the taxable valuation and mill levy certifications are on file with the department of public instruction by December fifteenth.

SECTION 2. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Definitions. For purposes of sections 3 through 5 of this Act:

1. "Compensation" includes all salaries, benefits, commissions, memberships, the provision of housing, the provision of vehicles, and any other payments, in lieu of payments, or services, reportable as gross income under the Internal Revenue Code.
2. "Teacher" means an individual, other than an administrator, who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and who is employed by the board of a school district in a position classified by the superintendent of public instruction as of July 1, 2001, as:
 - a. A class 22 coordinator;
 - b. A class 37 guidance counselor or school counselor;
 - c. A class 38 guidance counselor designate;
 - d. A class 40 instructional programmer;
 - e. A class 41 library media specialist;
 - f. A class 56 pupil personnel service provider;
 - g. A class 59 school psychologist;
 - h. A class 62 speech-language pathologist;
 - i. A class 68 supervisor;
 - j. A class 70 teacher or special education teacher; or
 - k. A class 72 tutor in training.

SECTION 3. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15-38.1, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to increase the compensation of teachers employed by the district.
2. The claim must include:
 - a. The number of full-time equivalent teachers employed by the district as of September fifteenth;
 - b. The number of full-time equivalent teachers who will receive an increase in compensation over the amount paid during the previous school year; and
 - c. The total amount of the increase in compensation.
3.
 - a. For the 2001-02 school year, the reimbursement provided for in this section may not exceed one thousand seven hundred fifty dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2001.
 - b. Except as provided in subdivision c, for the 2002-03 school year, the reimbursement provided for in this section may not exceed three thousand dollars five hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2002.

- c. For the 2002-03 school year, the reimbursement under this section for each individual employed as of September 15, 2002, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
- 4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area vocational and technology center to which the district belongs.
- 5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 4. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Distribution of reimbursement. The superintendent of public instruction shall distribute approximately one-sixth of the total amount to which each school district is entitled under section 3 of this Act on or before the first day of each November, December, January, February, March, and May.

SECTION 5. If House Bill No. 1045 does not become effective, a new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

Annual salary - Minimum amount. Beginning with the 2001-02 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base salary level for the contract period equal to at least eighteen thousand five hundred dollars. Beginning with the 2002-03 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base salary level for the contract period equal to at least twenty thousand dollars.

SECTION 6. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

School district employee compensation report.

- 1. Before September eleventh of each year, beginning in 2002, each school district shall provide the following information to the superintendent of public instruction, with respect to teachers and with respect to administrators:
 - a. The total amount of base salary.
 - b. The total amount of compensation reportable as gross income under the Internal Revenue Code.
 - c. Any other compensation paid or provided to or on behalf of individuals employed as teachers and as administrators.
 - d. Health insurance benefits paid to or on behalf of individuals employed as teachers and as administrators.
 - e. Retirement contributions and assessments paid on behalf of individuals employed as teachers and as administrators, and including individual shares if paid by the district.
 - f. Any other benefits paid or provided to or on behalf of individuals employed as teachers and as administrators.
- 2. The superintendent of public instruction shall:
 - a. Compile the information required by subsection 1 in a manner that allows for accurate comparisons based on:
 - (1) Full-time versus part-time personnel;
 - (2) A normal schoolday versus an extended schoolday; and

- (3) A regular school calendar of approximately one hundred eighty days versus an extended school year.
- b. Forward a copy of the compiled information to the governor and the chairman of the legislative council.
3. If any school district fails without good cause to provide the information required by this section on or before September tenth and in the manner directed by the superintendent of public instruction, the superintendent shall withhold all state aid until the information is received.
4. For purposes of this section:
- a. "Administrator" means an individual employed by a school district in an administrative position and includes a school district superintendent, an assistant or associate superintendent, a principal, an assistant principal, a special education director, a vocational education director, and any other individual whose position requires an administrator's credential.
- b. "Teacher" means an individual, other than an administrator, who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and who is employed by the board of a school district in a position classified by the superintendent of public instruction as of July 1, 2001, as:
- (1) A class 22 coordinator;
 - (2) A class 37 guidance counselor or school counselor;
 - (3) A class 38 guidance counselor designate;
 - (4) A class 40 instructional programmer;
 - (5) A class 41 library media specialist;
 - (6) A class 56 pupil personnel service provider;
 - (7) A class 59 school psychologist;
 - (8) A class 62 speech-language pathologist;
 - (9) A class 68 supervisor;
 - (10) A class 70 teacher or special education teacher; or
 - (11) A class 72 tutor in training.

SECTION 7. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

15.1-27-04. Per student payment. The per student payment to which each school district is entitled for the first year of the biennium is two thousand ~~one~~ ~~two~~ hundred ~~forty-five~~ ~~thirty-seven~~ dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand two hundred ~~thirty~~ ~~ninety-six~~ dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

SECTION 8. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

15.1-27-05. School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~and~~ transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of thirty-two mills times the latest available net assessed and equalized valuation of property in the district.
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of ~~seventy-five~~ fifty percent of its actual expenditures, plus twenty thousand dollars.

SECTION 9. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Definitions. For purposes of sections 10 through 12 of this Act:

1. "Compensation" includes all salaries, benefits, commissions, memberships, the provision of housing, the provision of vehicles, and any other payments, in lieu of payments, or services, reportable as gross income under the Internal Revenue Code.
2. "Teacher" means an individual, other than an administrator, who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and who is employed by the board of a school district in a position classified by the superintendent of public instruction as of July 1, 2001, as:
 - a. A class 22 coordinator;
 - b. A class 37 guidance counselor or school counselor;
 - c. A class 38 guidance counselor designate;
 - d. A class 40 instructional programmer;
 - e. A class 41 library media specialist;
 - f. A class 56 pupil personnel service provider;
 - g. A class 59 school psychologist;
 - h. A class 62 speech-language pathologist;
 - i. A class 68 supervisor;
 - j. A class 70 teacher or special education teacher; or
 - k. A class 72 tutor in training.

SECTION 10. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15.1-16, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to increase the compensation of teachers employed by the district.
2. The claim must include:
 - a. The number of full-time equivalent teachers employed by the district as of September fifteenth;
 - b. The number of full-time equivalent teachers who will receive an increase in compensation over the amount paid during the previous school year; and
 - c. The total amount of the increase in compensation.

3.
 - a. For the 2001-02 school year, the reimbursement provided for in this section may not exceed one thousand seven hundred fifty dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2001.
 - b. Except as provided in subdivision c, for the 2002-03 school year, the reimbursement provided for in this section may not exceed three thousand five hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2002.
 - c. For the 2002-03 school year, the reimbursement under this section for each individual employed as of September 15, 2002, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area vocational and technology center to which the district belongs.
5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 11. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Compensation of teachers - Distribution of reimbursements. The superintendent of public instruction shall distribute approximately one-sixth of the total amount to which each school district is entitled under section 10 of this Act on or before the first day of each November, December, January, February, March, and May.

SECTION 12. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Annual salary - Minimum amount. Beginning with the 2001-02 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a level of salary for the contract period equal to at least eighteen thousand five hundred dollars. Beginning with the 2002-03 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a base salary level for the contract period equal to at least twenty thousand dollars.

SECTION 13. AMENDMENT. Section 57-15-27 of the North Dakota Century Code is amended and reenacted as follows:

57-15-27. Interim fund. ~~The governing body of any county, city, school district, park district, or other municipality, other than a school district, which is authorized to levy taxes may include in its budget an item to be known as the "interim fund" which must be carried over to the next ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the municipality may be legally extended, for that portion of such fiscal year prior to the receipt of taxes therein. In no case may such the interim fund be in excess of the amount reasonably required to finance the municipality for the first nine months of the next ensuing fiscal year. Such~~ The interim fund may not be in excess of three-fourths of the current annual appropriation for all purposes other than debt retirement purposes and appropriations financed from bond sources and, for school districts, an additional twenty thousand dollars.

SECTION 14. CONTINGENT PAYMENT - DECLINING ENROLLMENT.

1. If the superintendent of public instruction determines that the portion of the grants-foundation aid and transportation line item designated for per student payments in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, exceeds the estimated expenditure for per student payments during the first year of the 2001-03 biennium by an amount sufficient to provide for a distribution of one hundred fifty dollars times the number of students by which each district's 2000-01 fall enrollment is less than the district's 1997-98 fall enrollment, the superintendent shall

distribute one hundred fifty dollars times the number of students by which a district's 2000-01 fall enrollment is less than that district's 1997-98 fall enrollment.

2. If the superintendent of public instruction determines that the portion of the grants-foundation aid and transportation line item designated for per student payments in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, does not exceed the estimated expenditure for per student payments during the first year of the 2001-03 biennium by the amount required for a payment under subsection 1, the superintendent may not distribute any amounts under subsection 1.
3. If the superintendent of public instruction determines that the portion of the grants-foundation aid and transportation line item designated for per student payments in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, exceeds the estimated expenditure for per student payments during the second year of the 2001-03 biennium, the superintendent shall distribute two hundred fifty dollars times the number of students by which a district's 2000-01 fall enrollment is less than that district's 1997-98 fall enrollment, or a lesser proportionate amount if the amount available is insufficient to provide for a distribution of two hundred fifty dollars times the number of students by which each district's 2000-01 fall enrollment is less than the district's 1997-98 fall enrollment.
4. No school district may receive payments for declining enrollments in excess of four hundred students under this section.
5. During the 2001-03 biennium, no school district may receive more than two hundred fifty dollars times the number of students by which the district's 2000-01 fall enrollment is less than that district's 1997-98 fall enrollment.

SECTION 15. DISTRIBUTION OF DIFFERENCE IN PAYMENT AMOUNTS - HOLD HARMLESS - CONTINGENT PAYMENTS.

1. a. If funds appropriated by the legislative assembly to the grants-foundation aid and transportation line item in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, remain after completion of all statutory obligations, including the payment of funds for declining enrollment under section 14 of this Act, to the extent of legislative appropriations, the superintendent of public instruction shall:
 - (1) Calculate the payment to which a school district is entitled during the 2001-03 biennium under this Act; and
 - (2) Calculate the payment to which a school district would have been entitled during the 2001-03 biennium under this Act if the per student payment established in section 15-40.1-06 or section 7 of this Act for the first year of the biennium were two thousand four hundred thirty-nine dollars and for the second year of the biennium were two thousand five hundred two dollars and if no level of teacher compensation were established in this Act.
 - b. If the amount to which a school district is entitled during the biennium under this Act does not exceed the amount to which a school district would have been entitled under the parameters of subsection 2, the superintendent of public instruction shall forward the difference between the amounts to the school district on or before June 30, 2003.
 - c. The superintendent may distribute up to \$2,000,000 of such contingent funds as hold harmless payments under this subsection. If insufficient funds exist to provide payments under this subsection, the superintendent shall prorate the amount to which the districts are entitled.
2. If funds appropriated by the legislative assembly to the grants-teacher compensation payments line item in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, remain after completion of all

statutory obligations, to the extent of legislative appropriations, the superintendent of public instruction shall distribute the remaining funds as additional per student payments under chapter 15-40.1 or 15.1-27.

3. If funds appropriated by the legislative assembly to the grants-foundation aid and transportation line item in House Bill No. 1013, as approved by the fifty-seventh legislative assembly, remain after completion of all statutory obligations, to the extent of legislative appropriations, the superintendent of public instruction shall distribute the remaining funds as additional per student payments under chapter 15-40.1 or 15.1-27.

SECTION 16. APPROPRIATION - GRANTS FOR NATIONAL TEACHER CERTIFICATION.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$41,500, or so much of the sum as may be necessary, to the education standards and practices board for the purpose of making grants to assist teachers in obtaining national certification, for the biennium beginning July 1, 2001, and ending June 30, 2003.
2. An individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board may file an application with the board for a grant to assist with the cost of obtaining national teacher certification after July 1, 2001.
3. The education standards and practices board shall review each application chronologically.
4. A successful applicant is eligible to receive a grant in the amount of \$1,150 to assist with the assessment costs of national teacher certification.
5. At the conclusion of each of the first four full school years after the individual obtains the national teacher certification, the individual is entitled to receive an additional \$1,500, if:
 - a. The individual served during the school year as a full-time classroom teacher in a public school in this state; and
 - b. The individual participated in any efforts of the employing school district to develop and implement teacher mentoring programs and teacher evaluation programs.

SECTION 17. TEACHER COMPENSATION PACKAGE - LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying the feasibility and desirability of implementing a teacher compensation package that recognizes four levels of teachers from beginning to advanced and which bases the compensation level for each category on the individual teacher's ability to meet or exceed district standards for content knowledge, planning and preparation for instruction, instructional delivery, student assessment, classroom management, and professional responsibility. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 18. LEGISLATIVE INTENT - GOALS OF SCHOOL DISTRICT REORGANIZATION. It is the intent of the fifty-seventh legislative assembly that each reorganization of school districts result in a newly formed district that has long-term sustainability from a demographic and fiscal perspective and that can offer to current students and to students in the foreseeable future academic integrity and educational opportunities designed to enhance the students' natural talents and curiosities and ultimately enhance their lives, their career choices, and their ability to contribute to the society in which they find themselves as adults. It is the further intent of the fifty-seventh legislative assembly that the state board of public school education maintain cognizance of the fact that meeting these goals requires school districts participating in a reorganization to include at least one district that offers educational services to all its students from kindergarten through grade twelve and consists of a student population equaling at least two hundred twenty-five.

SECTION 19. APPROPRIATION - SCHOOL DISTRICT COMPENSATION REPORT. There is appropriated out of any moneys in the general fund in the state

treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of developing and implementing a school district employee compensation report as provided in section 6 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 20. EFFECTIVE DATE. Subdivision b of subsection 3 of section 15-40.1-06 of the North Dakota Century Code as amended by section 1 of this Act, subsection 2 of section 15.1-27-05 of the North Dakota Century Code as amended by section 8 of this Act, and section 13 of this Act become effective on July 1, 2004."

Renumber accordingly

REQUEST

SEN. KELSH REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed HB 1344, as amended, which request was granted.

ROLL CALL

The question being on the motion to adopt the proposed amendments to Reengrossed HB 1344, as amended, the roll was called and there were 18 YEAS, 30 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Every; Heitkamp; Holmberg; Kelsh; Krauter; Kroeplin; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nichols; O'Connell; Polovitz; Robinson; Tallackson; Tomac

NAYS: Andrist; Christmann; Cook; Dever; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Kilzer; Klein; Krebsbach; Kringstad; Lee; Lyson; Mutch; Nelson, G.; Nething; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

ABSENT AND NOT VOTING: Bowman

The proposed amendments to Reengrossed HB 1344, as amended, failed.

MOTION

SEN. NETHING MOVED that the Senate reconsider its action whereby Division A of Reengrossed HB 1344, as amended, lost.

REQUEST

SEN. HEITKAMP REQUESTED a recorded roll call vote on the motion to reconsider Division A of Reengrossed HB 1344, as amended, which request was granted.

ROLL CALL

The question being on the motion to reconsider Division A of Reengrossed HB 1344, as amended, the roll was called and there were 26 YEAS, 22 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Christmann; Cook; Dever; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee; Lyson; Mutch; Nelson, G.; Nething; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Traynor; Wanzek; Wardner

NAYS: Andrist; Bercier; Christenson; Erbele; Every; Heitkamp; Kelsh; Krauter; Kroeplin; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nichols; O'Connell; Polovitz; Robinson; Tallackson; Tomac; Trenbeath; Urlacher; Watne

ABSENT AND NOT VOTING: Bowman

So the motion to reconsider Division A of Reengrossed HB 1344, as amended, prevailed.

ROLL CALL

The question being on the motion to adopt Division A of Reengrossed HB 1344, as amended, the roll was called and there were 25 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Christmann; Cook; Dever; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Krebsbach; Kringstad; Lee; Lyson; Mutch; Nelson, G.; Nething; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Traynor; Wanzek; Wardner

NAYS: Andrist; Bercier; Christenson; Erbele; Every; Heitkamp; Kelsh; Klein; Krauter; Kroeplin; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nichols; O'Connell; Polovitz; Robinson; Tallackson; Tomac; Trenbeath; Urlacher; Watne

ABSENT AND NOT VOTING: Bowman

The motion to adopt Division A of Reengrossed HB 1344, as amended, passed.

Therefore, Reengrossed HB 1344, as amended, now includes Division A and Division B. Reengrossed HB 1344, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1344: A BILL for an Act to provide contingent payments for declining enrollment and the distribution of differing payment amounts; to create and enact four new sections to chapter 15-40.1 and one new section to chapter 15.1-02 of the North Dakota Century Code or in the alternative to create and enact four new sections to chapter 15.1-27 of the North Dakota Century Code, relating to the compensation of teachers and a school district compensation report; to amend and reenact sections 15-40.1-06 and 57-15-27 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-27-04 and 15.1-27-05 of the North Dakota Century Code, relating to per student payments and ending fund balances; to provide legislative intent; to provide for a legislative council study; 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 32 YEAS, 16 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Christmann; Cook; Dever; Erbele; Espgaard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee; Lyson; Mutch; Nelson, G.; Nething; Polovitz; Schobinger; Solberg; Stenehjerm; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

NAYS: Bercier; Christenson; Every; Heitkamp; Kelsh; Krauter; Kroeplin; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nichols; O'Connell; Robinson; Tallackson; Tomac

ABSENT AND NOT VOTING: Bowman

Reengrossed HB 1344, as amended, passed and the title was agreed to.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1344.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 7:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1344.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently failed to pass: SB 2200, SB 2052.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HCR 3061.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HCR 3061.

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Watne, Chairman)** has carefully examined the Journal of the Seventy-fourth Day and

recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1532, after line 10, insert:

MESSAGE TO THE SENATE FROM THE HOUSE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2004, SB 2229, SB 2380.

SEN. WATNE MOVED that the report be adopted, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2003, as engrossed: Your conference committee (Sens. Nething, Solberg, Lindaas and Reps. Wentz, Martinson, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1283-1295, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1283-1295 of the Senate Journal and pages 1401-1413 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 2, remove "a" and replace "study" with "studies"

Page 1, line 3, after "intent" insert "; to authorize the university of North Dakota to purchase certain land in Grand Forks County"

Page 1, line 6, after the first semicolon insert "to repeal section 2 of House Bill No. 1283, section 2 of House Bill No. 1444, and section 22 of chapter 37 of the 1999 Session Laws, relating to a technology occupations student loan program, a student loan forgiveness program, and the university of North Dakota winter sports facility maintenance fund;"

Page 1, replace lines 16 through 19 with:

"Operations	\$3,563,887
Student financial assistance grants	4,223,031
Information technology management	216,676
Professional student exchange program	1,560,716
Disabled student services	51,560
Technical administration	194,788
Contingency and capital improvement emergency fund	344,309
Scholars program	770,730
Native American scholarships	204,082
Title II	534,000
Competitive research program	4,000,000
Board initiatives	1,370,797"

Page 1, line 20, replace "12,730,841" with "12,730,841"

Page 1, after line 20, insert:

"Education incentive programs	<u>830,000</u> "
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Page 1, line 21, replace "78,121,417" with "30,595,417"

Page 1, line 23, replace "74,404,595" with "26,878,595"

Page 1, after line 24, insert:

"NORTH DAKOTA UNIVERSITY SYSTEM

Equity and special needs pool	\$4,628,824
Technology pool	26,938,419
General fund appropriation	\$31,567,243

Subdivision 3."

Page 2, line 2, replace "14,767,975" with "15,381,193"

Page 2, line 3, replace "250,000" with "846,000"

Page 2, line 4, replace "15,017,975" with "16,227,193"

Page 2, line 5, replace "3" with "4"

Page 2, line 7, replace "4,649,231" with "4,881,954"

Page 2, line 8, replace "74,831" with "399,831"

Page 2, after line 8, insert:

"Total all funds

\$5,281,785

Less estimated income

325,000"

Page 2, line 9, replace "4,724,062" with "4,956,785"

Page 2, line 10, replace "4" with "5"

Page 2, line 12, replace "5,094,457" with "5,390,441"

Page 2, line 14, replace "5,183,247" with "5,479,231"

Page 2, line 15, replace "5" with "6"

Page 2, line 17, replace "81,436,447" with "85,601,876"

Page 2, line 19, replace "95,008,583" with "99,174,012"

Page 2, line 21, replace "83,798,583" with "87,964,012"

Page 2, line 22, replace "6" with "7"

Page 2, line 24, replace "63,524,910" with "66,931,216"

Page 2, line 26, replace "86,462,441" with "89,868,747"

Page 2, line 28, replace "65,262,441" with "68,668,747"

Page 2, line 29, replace "7" with "8"

Page 3, line 1, replace "22,893,128" with "24,099,302"

Page 3, line 3, replace "26,693,348" with "27,899,522"

Page 3, line 5, replace "25,776,628" with "26,982,802"

Page 3, line 6, replace "8" with "9"

Page 3, line 8, replace "13,060,832" with "13,746,171"

Page 3, line 9, replace "393,962" with "4,393,962"

Page 3, after line 9, insert:

"Total all funds

\$18,140,133

Less estimated income

4,000,000"

Page 3, line 10, replace "13,454,794" with "14,140,133"

Page 3, line 11, replace "9" with "10"

Page 3, line 13, replace "7,870,007" with "8,330,748"

Page 3, line 15, replace "12,594,596" with "13,055,337"

Page 3, line 17, replace "8,594,596" with "9,055,337"

Page 3, line 18, replace "10" with "11"

Page 3, line 20, replace "24,817,493" with "25,919,536"

Page 3, line 21, replace "412,850" with "612,850"

Page 3, line 22, replace "25,230,343" with "26,532,386"

Page 3, line 23, replace "11" with "12"

Page 3, line 25, replace "10,767,570" with "11,325,513"

Page 3, line 27, replace "11,882,904" with "12,440,847"

Page 3, line 28, replace "12" with "13"

Page 4, line 1, replace "3,895,490" with "4,097,577"

Page 4, line 3, replace "4,083,153" with "4,285,240"

Page 4, line 4, replace "13" with "14"

Page 4, line 14, replace "14" with "15"

Page 4, line 16, replace "28,571,646" with "30,006,416"

Page 4, line 17, replace "28,571,646" with "30,006,416"

Page 4, line 18, replace "367,753,836" with "366,953,836"

Page 4, line 19, replace "42,094,068" with "46,560,068"

Page 4, line 20, replace "409,847,904" with "413,513,904"

Page 4, line 21, replace "campus-based programs and" with "contingency and capital improvement emergency fund,"

Page 4, line 22, remove "contingencies and" and after "initiatives" insert ", and disabled student services line items"

Page 4, after line 30, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$16,441, or so much of the sum as may be necessary, to Mayville state university for the purpose of defraying repair costs for the university's fieldhouse floor, for the period beginning with the effective date of this Act and ending June 30, 2003.

SECTION 5. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the university of North Dakota for the purpose of defraying flood-related expenses, for the period beginning with the effective date of this Act and ending June 30, 2003, as follows:

1997 flood expenditures	<u>\$269,676</u>
Total general fund appropriation	<u>\$269,676</u>

SECTION 6. AUTHORIZATION. Notwithstanding section 3 of chapter 3 of the 1999 Session Laws, Lake Region state college is authorized to expend \$130,000 in excess tuition collections in the biennium beginning July 1, 1999, and ending June 30, 2003."

Page 5, replace lines 9 through 29 with:

"SECTION 9. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS. The state board of higher education is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities in subdivisions 3 through 15 of section 1 of this Act. The university system shall report any adjustments to the office of management and budget prior to the submission of the 2003-05 biennium budget request. The number of full-time equivalent positions for the university system office may not be increased above the level employed as of April 28, 2001.

SECTION 10. STUDENT FINANCIAL ASSISTANCE GRANTS. The funds appropriated for student financial assistance grants in section 1 of this Act must be allocated not less than twenty percent to students at private institutions with the remaining funds allocated to students at public and Native American institutions.

SECTION 11. EDUCATION INCENTIVE PROGRAMS. Of the funds appropriated for education incentives in section 1 of this Act, \$60,000 is to provide incentives to encourage additional doctoral graduates in North Dakota, \$370,000 is provided for teacher retraining scholarships and a teacher student loan forgiveness program, and \$400,000 is provided for a technology occupations student loan program authorized in House Bill No. 1283.

SECTION 12. TECHNOLOGY POOL. The technology pool amount in subdivision 2 of section 1 must be used for the benefit of the institutions and entities in section 1 as determined by the state board of higher education. Technology funding allocations are to be made based on historic funding, the North Dakota university system information technology plan, the statewide network plan, base funding for higher education computer network computer center operations, and base funding for interactive video network and on-line dakota information network operations.

SECTION 13. EQUITY AND SPECIAL NEEDS POOL. The equity and special needs pool in subdivision 2 of section 1 must be used for the benefit of the institutions and entities in subdivisions 3 through 15 of section 1 as determined by the state board of higher education. When making allocations from the equity and special needs pool, the state board of higher education shall allocate the funds to address equity and parity funding needs and to support new initiatives or program costs consistent with board and statewide needs."

Page 5, line 31, replace "13" with "14"

Page 6, after line 6, insert:

"SECTION 15. LEGISLATIVE INTENT - ENROLLMENT MANAGEMENT PLAN. It is the intent of the legislative assembly that the state board of higher education establish a long-term enrollment management plan and procedures for implementation of the plan. The board shall report to the legislative council during the 2001-02 interim on the board's progress toward establishing a long-term enrollment management plan and related implementation procedures and provide the final report to the fifty-eighth legislative assembly.

SECTION 16. LEGISLATIVE INTENT - ALTERNATIVE HEATING SOURCES. It is the intent of the legislative assembly that institutions under the control of the state board of higher education explore the possible use of alternative heating sources, including the use of North Dakota coal.

SECTION 17. LEGISLATIVE COUNCIL STUDY - COLLEGE TECHNICAL EDUCATION COUNCIL. The legislative council shall consider studying during the 2001-02 interim the responsibilities and the functions of the college technical education council and the implementation of the workforce training regions including how the regions are functioning. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly."

Page 6, line 11, after the period insert "The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly."

Page 6, replace lines 16 through 31 with:

- "1. Education excellence, including:
 - a. Student performance on nationally recognized exams in their major fields compared to the national averages.
 - b. First-time licensure pass rates compared to other states.
 - c. Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities.
 - d. Employer-reported satisfaction with preparation of recently hired graduates.
 - e. Biennial report on employee satisfaction relating to the university system and local institutions.

- f. Ratio of faculty and staff to students.
- g. Student graduation and retention rates.
- 2. Economic development, including:
 - a. Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs.
 - b. Percentage of university system graduates obtaining employment appropriate to their education in the state.
 - c. Number of businesses and employees in the region receiving training.
- 3. Student access, including:
 - a. Proportion of residents of the state who are within a forty-five-minute drive of a location at which they can receive educational programs from a provider.
 - b. Number and proportion of enrollments in courses offered by nontraditional methods.
- 4. Student affordability, including:
 - a. Tuition and fees on a per student basis compared to the regional average.
 - b. Tuition and fees as a percentage of median North Dakota household income.
 - c. Cost per student in terms of general fund appropriations and total university system funding.
 - d. Administrative, instructional, and other cost per student.
 - e. Per capita general fund appropriations for higher education.
 - f. State general fund appropriation levels for university system institutions compared to peer institutions general fund appropriation levels.
- 5. Financial operations, including:
 - a. Percentage of total university system funding used for instruction, research, and public service.
 - b. Percentage of total university system funding used for institutional support, operations, and maintenance of physical plant.
 - c. Ratio measuring the funding derived from operating and contributed income compared to total university system funding.
 - d. Ratio measuring the size of the university system's outstanding maintenance as compared to its expendable net assets.
 - e. Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt.
 - f. Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity.
 - g. Report on new construction and major renovation capital projects for which specific appropriations are made, including budget to actual comparison, use of third-party funding, and related debt."

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 21

Page 11, line 24, replace "\$531,720" with "\$368,920" and replace "7" with "8"

Page 11, line 25, replace "renovation of" with "an addition to"

Page 11, line 26, replace "renovation" with "construction of an addition"

Page 11, line 27, replace "\$531,720" with "\$368,920"

Page 11, line 29, replace "renovation" with "addition"

Page 11, after line 29, insert:

"SECTION 21. LEGISLATIVE INTENT - BISMARCK STATE COLLEGE - SCHAFFER HALL RENOVATION. It is the intent of the legislative assembly that funding of \$596,000 included in the capital assets line item in subdivision 3 of section 1 of this Act for renovation of Schaffer hall be used only for renovation of classroom or student-related areas. No funds from any source may be used for renovation of administrative offices in Schaffer hall.

SECTION 22. PURCHASE OF LAND AUTHORIZED.

1. The university of North Dakota may purchase the land described in this subsection for the price and on the terms as determined by the university of North Dakota. The land to be purchased is that portion of the Burlington Northern and Santa Fe Railway Company's (formerly Great Northern Railway Company) yard property at Grand Forks, North Dakota, situated in the S 1/2 SE 1/4 SE 1/4 of section 5, township 151 north, range 50 west of the fifth principal meridian, Grand Forks County, North Dakota, being a portion of the same 5 1/2 acre tract of land described in warranty deed from Thomas Campbell, et ux, to the Saint Paul, Minneapolis and Manitoba Railway Company filed for record July 29, 1880 in book C of deed, page 85 in and for said county, described as follows, to-wit:

Beginning at a point on the north line of said 5 1/2 acre tract of land distant 33.0 feet west of the east line of said section 5, said point being 75.0 feet north, as measured at right angles from said railway company's main track centerline, as originally located and constructed, and 85 feet, more or less, north of the south line of said section 5; thence west along said north line, and parallel with said main track centerline, a distance of 848.5 feet; thence south at right angles to the last described course 46.5 feet; thence east parallel with the north line of said 5 1/2 acre tract to the intersection with a line drawn parallel with and distant 33.0 feet west, as measured at right angles from the east line of said section 5, thence north along the last described parallel line to the point of beginning,

EXCEPTING THEREFROM, that portion, if any, lying within 10.0 feet of said railway company's most northerly spur track centerline, as now located and constructed upon, over and across said S 1/2 SE 1/4 SE 1/4.

ALSO,

That portion of the Burlington Northern and Santa Fe Railway Company's (formerly Great Northern Railway Company) yard property at Grand Forks, North Dakota, situated in the S 1/2 SW 1/4 SE 1/4 of section 5, township 151 north, range 50 west of the fifth principal meridian, Grand Forks County, North Dakota, being a portion of the same 5 1/2 acre tract of land described in warranty deed from Thomas Campbell, et ux, to the Saint Paul, Minneapolis and Manitoba Railway Company filed for record July 29, 1880 in book C of deed, page 85 in and for said county, described as follows, to-wit:

Beginning at a point on the north line of said 5 1/2 acre tract of land distant 290.0 feet east of the west line of said S 1/2 SW 1/4 SE 1/4, said

point being 75.0 feet north, as measured at right angles from said railway company's main track centerline, as originally located and constructed, and 85 feet, more or less, north of the south line of said section 5; thence east along said north line, and parallel with said main track centerline, a distance of 990 feet, more or less, to the intersection with a line drawn concentric with and distant 15.0 feet northwesterly, as measured radially from said railway company's university power house spur track centerline, as now located and constructed; thence southwesterly along said concentric line to the intersection with a line drawn parallel with and distant 50.0 feet south, as measured at right angles from said north line; thence west along said parallel line to the intersection with a line drawn parallel with and distant 290.0 feet east, as measured at right angles from the west line of said S 1/2 SW 1/4 SE 1/4; thence north along the last described parallel line 50.0 feet to the point of beginning.

2. The attorney general shall review and approve as to form and legality all legal documents, papers, and instruments required for the purchase authorized by this section.

SECTION 23. APPROPRIATION. There is appropriated out of any moneys received by the university of North Dakota pursuant to federal acts, private grants, and other sources enumerated in section 3 of this Act, not otherwise appropriated, the sum of \$141,000, or so much of the sum as may be necessary, to the university of North Dakota for the purpose of purchasing the land described in section 22 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 14, line 16, after "section" insert "and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly"

Page 14, after line 27, insert:

"SECTION 28. REPEAL. Section 2 of House Bill No. 1283 and section 2 of House Bill No. 1444, as approved by the fifty-seventh legislative assembly, and section 22 of chapter 37 of the 1999 Session Laws are repealed."

Page 14, line 28, replace "13, 14, 15, and 16" with "24, 25, 26, and 27"

Page 15, line 2, after "Act" insert "and sections 4, 5, 6, and 9 of this Act"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System						
Total all funds	\$0	\$0	\$31,567,243	\$31,567,243	\$31,519,243	\$48,000
Less estimated income						
General fund	\$0	\$0	\$31,567,243	\$31,567,243	\$31,519,243	\$48,000
University System office						
Total all funds	\$77,765,508	\$78,121,417	(\$47,526,000)	\$30,595,417	\$29,874,620	\$720,797
Less estimated income	3,716,822	3,716,822		3,716,822	3,716,822	
General fund	\$74,048,686	\$74,404,595	(\$47,526,000)	\$26,878,595	\$26,157,798	\$720,797
Bismarck State College						
Total all funds	\$15,017,975	\$15,017,975	\$1,209,218	\$16,227,193	\$16,227,193	\$0
Less estimated income						
General fund	\$15,017,975	\$15,017,975	\$1,209,218	\$16,227,193	\$16,227,193	\$0
Lake Region State College						
Total all funds	\$4,724,062	\$4,724,062	\$557,723	\$5,281,785	\$5,281,785	\$0
Less estimated income			325,000	325,000	325,000	
General fund	\$4,724,062	\$4,724,062	\$232,723	\$4,956,785	\$4,956,785	\$0
Williston State College						
Total all funds	\$5,183,247	\$5,183,247	\$295,984	\$5,479,231	\$5,479,231	\$0
Less estimated income						
General fund	\$5,183,247	\$5,183,247	\$295,984	\$5,479,231	\$5,479,231	\$0
University of North Dakota						
Total all funds	\$95,008,583	\$95,008,583	\$4,165,429	\$99,174,012	\$99,174,012	\$0
Less estimated income	11,210,000	11,210,000		11,210,000	11,210,000	
General fund	\$83,798,583	\$83,798,583	\$4,165,429	\$87,964,012	\$87,964,012	\$0
UND Medical Center						
Total all funds	\$28,571,646	\$28,571,646	\$1,434,770	\$30,006,416	\$30,006,416	\$0

Less estimated income						
General fund	\$28,571,646	\$28,571,646	\$1,434,770	\$30,006,416	\$30,006,416	\$0
North Dakota State University						
Total all funds	\$87,013,261	\$86,462,441	\$3,406,306	\$89,868,747	\$89,868,747	\$0
Less estimated income	21,750,820	21,200,000		21,200,000	21,200,000	
General fund	\$65,262,441	\$65,262,441	\$3,406,306	\$68,668,747	\$68,668,747	\$0
State College of Science						
Total all funds	\$26,776,628	\$26,693,348	\$1,206,174	\$27,899,522	\$27,899,522	\$0
Less estimated income	1,000,000	916,720		916,720	916,720	
General fund	\$25,776,628	\$25,776,628	\$1,206,174	\$26,982,802	\$26,982,802	\$0
Dickinson State University						
Total all funds	\$13,454,794	\$13,454,794	\$4,685,339	\$18,140,133	\$18,140,133	\$0
Less estimated income			4,000,000	4,000,000	4,000,000	
General fund	\$13,454,794	\$13,454,794	\$685,339	\$14,140,133	\$14,140,133	\$0
Mayville State University						
Total all funds	\$8,594,596	\$12,594,596	\$460,741	\$13,055,337	\$13,055,337	\$0
Less estimated income		4,000,000		4,000,000	4,000,000	
General fund	\$8,594,596	\$8,594,596	\$460,741	\$9,055,337	\$9,055,337	\$0
Minot State University						
Total all funds	\$28,004,343	\$25,230,343	\$1,302,043	\$26,532,386	\$26,532,386	\$0
Less estimated income	2,774,000					
General fund	\$25,230,343	\$25,230,343	\$1,302,043	\$26,532,386	\$26,532,386	\$0
Valley City State University						
Total all funds	\$11,882,904	\$11,882,904	\$557,943	\$12,440,847	\$12,440,847	\$0
Less estimated income						
General fund	\$11,882,904	\$11,882,904	\$557,943	\$12,440,847	\$12,440,847	\$0
Minot State University - Bottineau						
Total all funds	\$4,083,153	\$4,083,153	\$202,087	\$4,285,240	\$4,285,240	\$0
Less estimated income						
General fund	\$4,083,153	\$4,083,153	\$202,087	\$4,285,240	\$4,285,240	\$0
Forest Service						
Total all funds	\$2,819,395	\$2,819,395	\$0	\$2,819,395	\$2,819,395	\$0
Less estimated income	1,050,526	1,050,526		1,050,526	1,050,526	
General fund	\$1,768,869	\$1,768,869	\$0	\$1,768,869	\$1,768,869	\$0
Commerce Department						
Total all funds	\$0	\$0	\$0	\$0	\$194,788	(\$194,788)
Less estimated income						
General fund	\$0	\$0	\$0	\$0	\$194,788	(\$194,788)
Bill Total						
Total all funds	\$408,900,095	\$409,847,904	\$3,525,000	\$413,372,904	\$412,798,895	\$574,009
Less estimated income	41,502,168	42,094,068	4,325,000	46,419,068	46,419,068	
General fund	\$367,397,927	\$367,753,836	(\$800,000)	\$366,953,836	\$366,379,827	\$574,009

Senate Bill No. 2003 - University System - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System			\$31,567,243	\$31,567,243	\$31,519,243	\$48,000
University System office	\$74,048,686	\$74,404,595	(47,526,000)	26,878,595	26,157,798	720,797
Bismarck State College	15,017,975	15,017,975	1,209,218	16,227,193	16,227,193	
Lake Region State College	4,724,062	4,724,062	232,723	4,956,785	4,956,785	
Williston State College	5,183,247	5,183,247	295,984	5,479,231	5,479,231	
University of North Dakota	83,798,583	83,798,583	4,165,429	87,964,012	87,964,012	
UND Medical Center	28,571,646	28,571,646	1,434,770	30,006,416	30,006,416	
North Dakota State University	65,262,441	65,262,441	3,406,306	68,668,747	68,668,747	
State College of Science	25,776,628	25,776,628	1,206,174	26,982,802	26,982,802	
Dickinson State University	13,454,794	13,454,794	685,339	14,140,133	14,140,133	
Mayville State University	8,594,596	8,594,596	460,741	9,055,337	9,055,337	
Minot State University	25,230,343	25,230,343	1,302,043	26,532,386	26,532,386	
Valley City State University	11,882,904	11,882,904	557,943	12,440,847	12,440,847	
Minot State University - Bottineau	4,083,153	4,083,153	202,087	4,285,240	4,285,240	
Forest Service	1,768,869	1,768,869		1,768,869	1,768,869	
Total general fund	\$367,397,927	\$367,753,836	(\$800,000)	\$366,953,836	\$366,185,039	\$768,797

Detail of Conference Committee Changes to the General Fund

	REMOVE BLOCK GRANT FUNDING	PROVIDE FUNDING IN INDIVIDUAL LINE ITEMS	PROVIDE FUNDING FOR SYSTEM POOLS	ALLOCATE FUNDING FOR 3/2 SALARY INCREASE	ALLOCATE FUNDING FROM UNIVERSITY SYSTEM TO FUND CAMPUS ACTIVITIES 1	REMOVE FUNDING FROM EQUITY AND SPECIAL NEEDS POOL 2
University System			\$47,324,184	(\$13,256,941)	(\$1,000,000)	(\$200,000)
University System office	(\$74,404,595)	\$27,080,411		98,184	(1,000,000)	
Bismarck State College				613,218	596,000	
Lake Region State College				172,192	60,531	
Williston State College				228,545	67,439	
University of North Dakota				4,165,429		
UND Medical Center				1,264,944	169,826	
North Dakota State University				3,406,306		
State College of Science				818,543	387,631	
Dickinson State University				549,386	135,953	
Mayville State University				276,459	184,282	
Minot State University				1,102,043	200,000	
Valley City State University				424,879	133,064	
Minot State University - Bottineau				136,813	65,274	

Bottineau Forest Service						
Total general fund	(\$74,404,595)	\$27,080,411	\$47,324,184	\$0	\$0	(\$200,000)
	REMOVE FUNDING FROM TECHNOLOGY POOL 3	INCREASE FUNDING FOR BOARD INITIATIVES 4	PROVIDE ADDITIONAL FUNDING FOR EDUCATION INCENTIVE PROGRAMS 5	INCREASE FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS 6	PROVIDE FUNDING FOR CAPITAL CONSTRUCTION PROJECTS 7	TOTAL GENERAL FUND CHANGES
University System	(\$1,300,000)					\$31,567,243
University System office		\$105,000	\$460,000	\$135,000		(47,526,000)
Bismarck State College						1,209,218
Lake Region State College						232,723
Williston State College						295,984
University of North Dakota						4,165,429
UND Medical Center						1,434,770
North Dakota State University						3,406,306
State College of Science						1,206,174
Dickinson State University						685,339
Mayville State University						460,741
Minot State University						1,302,043
Valley City State University						557,943
Minot State University - Bottineau						202,087
Forest Service						
Total general fund	(\$1,300,000)	\$105,000	\$460,000	\$135,000	\$0	(\$800,000)

Senate Bill No. 2003 - University System - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System						
University System office	\$3,716,822	\$3,716,822		\$3,716,822	\$3,716,822	
Bismarck State College						
Lake Region State College			\$325,000	325,000	325,000	
Williston State College						
University of North Dakota	11,210,000	11,210,000		11,210,000	11,210,000	
UND Medical Center						
North Dakota State University	21,750,820	21,200,000		21,200,000	21,200,000	
State College of Science	1,000,000	916,720		916,720	916,720	
Dickinson State University			4,000,000	4,000,000	4,000,000	
Mayville State University		4,000,000		4,000,000	4,000,000	
Minot State University	2,774,000					
Valley City State University						
Minot State University - Bottineau						
Forest Service	<u>1,050,526</u>	<u>1,050,526</u>		<u>1,050,526</u>	<u>1,050,526</u>	
Total other funds	\$41,502,168	\$42,094,068	\$4,325,000	\$46,419,068	\$46,419,068	\$0

Detail of Conference Committee Changes to Other Funds

	REMOVE BLOCK GRANT FUNDING	PROVIDE FUNDING IN INDIVIDUAL LINE ITEMS	PROVIDE FUNDING FOR SYSTEM POOLS	ALLOCATE FUNDING FOR 3/2 SALARY INCREASE	ALLOCATE FUNDING FROM UNIVERSITY SYSTEM TO FUND CAMPUS ACTIVITIES 1	REMOVE FUNDING FROM EQUITY AND SPECIAL NEEDS POOL 2
University System						
University System office	(\$3,716,822)	\$3,716,822				
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	(\$3,716,822)	\$3,716,822	\$0	\$0	\$0	\$0

	REMOVE FUNDING FROM TECHNOLOGY POOL 3	INCREASE FUNDING FOR BOARD INITIATIVES 4	PROVIDE ADDITIONAL FUNDING FOR EDUCATION INCENTIVE PROGRAMS 5	INCREASE FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS 6	PROVIDE FUNDING FOR CAPITAL CONSTRUCTION PROJECTS 7	TOTAL OTHER FUNDS CHANGES
University System						
University System Office						
Bismarck State College						
Lake Region State College					\$325,000	\$325,000
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University					4,000,000	4,000,000
Mayville State University						

Minot State University
 Valley City State University
 Minot State University -
 Bottineau
 Forest Service

Total other funds	\$0	\$0	\$0	\$0	\$4,325,000	\$4,235,000
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Senate Bill No. 2003 - University System - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
University System			\$31,567,243	\$31,567,243	\$31,519,243	\$48,000
University System office	\$77,765,508	\$78,121,417	(47,526,000)	30,595,417	29,874,620	720,797
Bismarck State College	15,017,975	15,017,975	1,209,218	16,227,193	16,227,193	
Lake Region State College	4,724,062	4,724,062	557,723	5,281,785	5,281,785	
Williston State College	5,183,247	5,183,247	295,984	5,479,231	5,479,231	
University of North Dakota	95,008,583	95,008,583	4,165,429	99,174,012	99,174,012	
UND Medical Center	28,571,646	28,571,646	1,434,770	30,006,416	30,006,416	
North Dakota State University	87,013,261	86,462,441	3,406,306	89,868,747	89,868,747	
State College of Science	26,776,628	26,693,348	1,206,174	27,899,522	27,899,522	
Dickinson State University	13,454,794	13,454,794	4,685,339	18,140,133	18,140,133	
Mayville State University	8,594,596	12,594,596	460,741	13,055,337	13,055,337	
Minot State University	28,004,343	25,230,343	1,302,043	26,532,386	26,532,386	
Valley City State University	11,882,904	11,882,904	557,943	12,440,847	12,440,847	
Minot State University - Bottineau	4,083,153	4,083,153	202,087	4,285,240	4,285,240	
Forest Service	2,819,395	2,819,395		2,819,395	2,819,395	
Total all funds	\$408,900,095	\$409,847,904	\$3,525,000	\$413,372,904	\$412,604,107	\$768,797
FTE	3087.39	3087.39	0.00	3087.39	3086.39	1.00

Detail of Conference Committee Changes to All Funds

	REMOVE BLOCK GRANT FUNDING	PROVIDE FUNDING IN INDIVIDUAL LINE ITEMS	PROVIDE FUNDING FOR SYSTEM POOLS	ALLOCATE FUNDING FOR 3/2 SALARY INCREASE	ALLOCATE FUNDING FROM UNIVERSITY SYSTEM TO FUND CAMPUS ACTIVITIES 1	REMOVE FUNDING FROM EQUITY AND SPECIAL NEEDS POOL 2
University System			\$47,324,184	(\$13,256,941)	(\$1,000,000)	(\$200,000)
University System office	(\$78,121,417)	\$30,797,233		98,184	(1,000,000)	
Bismarck State College				613,218	596,000	
Lake Region State College				172,192	60,531	
Williston State College				228,545	67,439	
University of North Dakota				4,165,429		
UND Medical Center				1,264,944	169,826	
North Dakota State University				3,406,306		
State College of Science				818,543	387,631	
Dickinson State University				549,386	135,953	
Mayville State University				276,459	184,282	
Minot State University				1,102,043	200,000	
Valley City State University				424,879	133,064	
Minot State University - Bottineau				136,813	65,274	
Forest Service						
Total all funds	(\$78,121,417)	\$30,797,233	\$47,324,184	\$0	\$0	(\$200,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REMOVE FUNDING FROM TECHNOLOGY POOL 3	INCREASE FUNDING FOR BOARD INITIATIVES 4	PROVIDE ADDITIONAL FUNDING FOR EDUCATION INCENTIVE PROGRAMS 5	INCREASE FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS 6	PROVIDE FUNDING FOR CAPITAL CONSTRUCTION PROJECTS 7	TOTAL ALL FUNDS CHANGES
University System	(\$1,300,000)					\$31,567,243
University System office		\$105,000	\$460,000	\$135,000		(47,526,000)
Bismarck State College						1,209,218
Lake Region State College					\$325,000	557,723
Williston State College						295,984
University of North Dakota						4,165,429
UND Medical Center						1,434,770
North Dakota State University						3,406,306
State College of Science						1,206,174
Dickinson State University					4,000,000	4,685,339
Mayville State University						460,741
Minot State University						1,302,043
Valley City State University						557,943
Minot State University - Bottineau						202,087
Forest Service						
Total all funds	(\$1,300,000)	\$105,000	\$460,000	\$135,000	\$4,325,000	\$3,525,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 This amendment allocates funds from the campus parity and equity funding and innovation initiative funding in the equity and special needs pool of \$1 million and board initiatives funding of \$1 million to campuses for various activities. The following provides information regarding the allocations to the campuses:

Bismarck State College - Renovation of Schafer Hall	\$596,000
Lake Region State College -	60,531

Costs to continue	
Williston State College - Technology initiative	67,439
State College of Science - Costs to continue	387,631
Dickinson State University - Institutional innovation	135,953
Mayville State University - Costs to continue	184,282
Minot State University - Extraordinary repairs	200,000
Valley City State University - Costs to continue	133,064
Minot State University - Bottineau - Costs to continue	65,274
UND Medical School - Technology initiative	169,826
Total	\$2,000,000

- 2 This amendment reduces funding from the general fund provided for campus parity and equity and innovation initiative funding in the equity and special needs pool by \$200,000.
- 3 This amendment removes funding from the general fund of \$935,100 for on-line course management and \$364,900 for costs associated with connecting IVN to all state agencies from the University System technology pool.
- 4 The House amendments to Senate Bill No. 2003 provided a \$395,000 general fund reduction to board initiatives, the Conference Committee agreed to increase the total amount provided for board initiatives in the House amendments to Senate Bill No. 2003 by \$500,000, and this results in an increase in funding from the general fund for board initiatives of \$105,000 from the amount provided for by the Senate.
- 5 This amendment provides funding of \$460,000 from the general fund for incentives to encourage additional doctoral graduates in North Dakota (\$60,000), and for a technology occupations student loan program authorized in House Bill No. 1283 (\$400,000).
- 6 This amendment adds funding of \$135,000 from the general fund to the student financial assistance grants line item.
- 7 **Lake Region State College** - This amendment provides a special funds appropriation of \$325,000 for renovation of the main building front entrance at Lake Region State College.
- Dickinson State University** - This amendment provides a special funds appropriation of \$4 million for renovation and an addition to Whitney Stadium at Dickinson State University.

Senate Bill No. 2003 - Other Changes - Conference Committee Action

This amendment also includes the following provisions adopted in the House amendments to the bill:

- Addition of a section which provides a general fund appropriation to the University of North Dakota of \$269,676 for the 1999-2001 biennium for 1997 flood expenditures.
- Addition of a section providing for the allocation of student financial assistance grant funds.
- Addition of a section of legislative intent requiring the State Board of Higher Education to establish a long-term enrollment management plan and procedures for implementation of the plan and to provide progress reports to the Legislative Council during the 2001-02 interim and a final report to the 2003 Legislative Assembly.
- Addition of a section of legislative intent encouraging institutions of higher education to explore the use of alternative heating sources.
- Amendments to Section 12 of the engrossed bill to reduce the amount from \$531,720 to \$368,920 to allow the State College of Science to proceed with replacement of the Blikre Activities Center floor which the college has funding on hand. The section would continue to require the State College of Science to not proceed with the addition to the Blikre Activities Center at an estimated cost of \$368,920 until all funds have been collected.
- Addition of a section of legislative intent that provides that Bismarck State College may use funding of \$596,000 for renovation of Schafer Hall for classroom renovation only, and no funds from any source may be used for renovation of administrative offices in Schafer Hall.
- Addition of a section repealing Section 22 of Chapter 37 of the 1999 Session Laws relating to the University of North Dakota winter sports facility maintenance fund.

This amendment also includes and modifies the following provisions adopted in the House amendments to the bill:

- Addition of a section of legislative intent that provides that the State Board of Higher Education may adjust or increase full-time equivalent positions as needed for institutions.
- Addition of a section providing for the allocation of the funding for education incentive programs.
- Changes to Section 11 of the engrossed bill to revise accountability measurements to be reported on by the North Dakota University System.

This amendment also provides for the following provisions to the bill:

- Addition of a section to appropriate \$16,441 from the general fund to Mayville State University for the 1999-2001 biennium for repair costs for the university's fieldhouse floor.
- Addition of a section to provide authorization to Lake Region State College to expend \$130,000 of excess tuition collection in the 1999-2001 biennium.
- Addition for sections to allow the University of North Dakota to purchase a parcel of land and to provide a special funds appropriation to the university for the purchase.
- Repeal of Section 2 of House Bill Nos. 1283 and 1444, which were approved by the 57th Legislative Assembly, relating to technology occupations student loan program funding and student loan forgiveness program funding.

The following is a summary of the general fund changes to the Senate version, the House version, the Conference Committee version, and the Hoeven executive budget recommendations for higher education:

	SCHAFFER EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	INCREASE (DECREASE) TO HOUSE VERSION
University System	\$0	\$0	\$31,567,243	\$31,567,243	\$31,519,243	\$48,000
University System office	74,048,686	74,404,595	(47,526,000)	26,878,595	26,157,798	720,797
Subtotal - University System	\$74,048,686	\$74,404,595	(\$15,958,757)	\$58,445,838	\$57,677,041	\$768,797
Bismarck State College	15,017,975	15,017,975	1,209,218	16,227,193	16,227,193	
Lake Region State College	4,724,062	4,724,062	232,723	4,956,785	4,956,785	
Williston State College	5,183,247	5,183,247	295,984	5,479,231	5,479,231	
University of North Dakota	83,798,583	83,798,583	4,165,429	87,964,012	87,964,012	
UND Medical Center	28,571,646	28,571,646	1,434,770	30,006,416	30,006,416	
North Dakota State University	65,262,441	65,262,441	3,406,306	68,668,747	68,668,747	
State College of Science	25,776,628	25,776,628	1,206,174	26,982,802	26,982,802	
Dickinson State University	13,454,794	13,454,794	685,339	14,140,133	14,140,133	
Mayville State University	8,594,596	8,594,596	460,741	9,055,337	9,055,337	
Minot State University	25,230,343	25,230,343	1,302,043	26,532,386	26,532,386	
Valley City State University	11,882,904	11,882,904	557,943	12,440,847	12,440,847	
Minot State University - Bottineau	4,083,153	4,083,153	202,087	4,285,240	4,285,240	
Forest Service	1,768,869	1,768,869		1,768,869	1,768,869	
Total	\$367,397,927	\$367,753,836	(\$800,000)	\$366,953,836	\$366,185,039	\$768,797

	HOEVEN EXECUTIVE BUDGET	INCREASE (DECREASE) TO HOEVEN BUDGET
University System	\$0	\$31,567,243
University System office	75,407,586	(48,528,991)
Subtotal - University System	\$75,407,586	(\$16,961,748)
Bismarck State College	15,017,975	1,209,218
Lake Region State College	4,724,062	232,723
Williston State College	5,183,247	295,984
University of North Dakota	83,798,583	4,165,429
UND Medical Center	28,571,646	1,434,770
North Dakota State University	65,262,441	3,406,306
State College of Science	25,776,628	1,206,174
Dickinson State University	13,454,794	685,339
Mayville State University	8,594,596	460,741
Minot State University	25,405,343	1,127,043
Valley City State University	11,882,904	557,943
Minot State University - Bottineau	4,083,153	202,087
Forest Service	1,768,869	
Total	\$368,931,827	(\$1,977,991)

Engrossed SB 2003 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SOLBERG MOVED that the conference committee report on Engrossed SB 2003 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2003, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to provide for legislative council studies; to provide statements of legislative intent; to authorize the University of North Dakota to purchase certain land in Grand Forks County; to amend and reenact sections 15-10-12, 54-44.1-04, subsection 7 of section 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code, relating to higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended appropriations; to repeal section 2 of House Bill No. 1283, section 2 of House Bill No. 1444, and section 22 of chapter 37 of the 1999 Session Laws, relating to a technology occupations student loan program, a student loan forgiveness program, and the university of North Dakota winter sports facility maintenance fund; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroeplin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Tallackson; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

ABSENT AND NOT VOTING: Andrist; Bowman

Reengrossed SB 2003 passed, the title was agreed to, and the emergency clause was declared carried.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

April 28, 2001

Attached please find Senate Bill 2012, section 7 of which I hereby veto. Section 7 of the bill increases the speed limit upon the interstate highways of North Dakota to 75 miles per hour. This is a policy I cannot endorse because we do not have adequate enforcement mechanisms in place to accommodate this increase in speed limits.

Specifically, Senate Bill 2088 makes adjustments to the fees and points assessed for speeding, but does not adequately address higher speed limits upon the interstates. In short, we would be left with a higher speed limit, without adequately addressing penalties for exceeding those new limits.

For these reasons, I respectfully veto section 7 of the bill and return it to the Senate.

MOTION

SEN. G. NELSON MOVED that Section 7 of Enrolled SB 2012 be placed on the Eleventh order of business on the calendar for the purpose of overriding the Governor's veto pursuant to Article V, Section 9, of the Constitution of North Dakota, which motion prevailed.

CONSIDERATION OF VETOED MEASURE

SB 2012: 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 department of transportation; to provide for a legislative council study; to provide a contingent appropriation; to amend and reenact section 39-06-19, subsection 1 of section 39-06.2-09, and section 39-09-02 of the North Dakota Century Code, relating to highways and operators' licenses; and to declare an emergency.

ROLL CALL

The question being on the final passage of Section 7 of the enrolled bill over the Governor's veto, which has been read, the roll was called and there were 22 YEAS, 25 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bercier; Cook; Dever; Espgaard; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Klein; Krauter; Lee; Mathern, D.; Mutch; Nelson, G.; Schobinger; Stenehjem; Tallackson; Thane; Trenbeath

NAYS: Christenson; Christmann; Erbele; Every; Kilzer; Krebsbach; Kringstad; Kroeplin; Lindaas; Lyson; Mathern, T.; Nelson, C.; Nething; Nichols; O'Connell; Polovitz; Robinson; Solberg; Tollefson; Tomac; Traynor; Urlacher; Wanzek; Wardner; Watne

ABSENT AND NOT VOTING: Andrist; Bowman

The Senate has sustained the Governor's veto of Section 7 of SB 2012, as enrolled.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003.

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

MR. SPEAKER: The Senate has sustained the Governor's veto on SB 2012. The vote was 22 YEA, 25 NAYS, 2 ABSENT AND NOT VOTING.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2159.

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

MR. SPEAKER: The President has signed: HCR 3061.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1344.

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

MR. SPEAKER: The President has signed: HB 1344.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 10:40 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1013.

REPORT OF CONFERENCE COMMITTEE

SB 2016, as engrossed: Your conference committee (Sens. Nething, Kringstad, Robinson and Reps. Timm, Belter, Warner) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1205-1213, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 1205-1213 of the Senate Journal and pages 1293-1301 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, replace the second "and" with "to provide legislative intent; to provide for budget section authorization of the construction of a women's unit;"

Page 1, line 3, after "study" insert "; to create and enact a new section to chapter 54-23.3 of the North Dakota Century Code, relating to the establishment of new programs by the director of the department of corrections and rehabilitation; and to amend and reenact section 12-59-02, subsection 1 of section 12.1-32-08, and subsection 2 of section 54-23.4-12 of the North Dakota Century Code, relating to compensation of parole board members, indigent defense costs and expenses, and crime victims compensation subrogation"

Page 1, line 13, replace "1,281,357" with "1,155,357"

Page 1, line 15, replace "80,850" with "65,750"

Page 1, line 16, replace "1,533,654" with "1,392,554"

Page 1, line 18, replace "1,522,494" with "1,381,394"

Page 1, line 21, replace "10,819,873" with "10,647,498"

Page 1, line 22, replace "5,031,382" with "4,917,407"

Page 1, line 23, replace "217,050" with "148,700"

Page 2, line 2, replace "21,189,929" with "20,835,229"

Page 2, line 3, replace "7,863,275" with "7,825,075"

Page 2, line 4, replace "13,326,654" with "13,010,154"

Page 2, line 8, replace "4,460,612" with "3,863,128"

Page 2, line 9, replace "11,755,705" with "11,353,870"

Page 2, line 10, replace "28,600,319" with "25,258,666"

Page 2, line 11, replace "4,086,082" with "3,732,331"

Page 2, line 12, replace "25,092,023" with "24,163,872"

Page 2, line 13, replace "10,849,840" with "10,842,290"

Page 2, line 14, replace "88,268,147" with "82,637,723"

Page 2, line 15, replace "18,649,184" with "18,696,864"

Page 2, line 16, replace "69,618,963" with "63,940,859"

Page 2, line 17, remove "S.B. 2016" and replace "84,468,111" with "78,532,407"

Page 2, line 18, remove "S.B. 2016" and replace "26,523,619" with "26,533,099"

Page 2, line 19, remove "S.B. 2016" and replace "110,890,730" with "105,065,506"

Page 2, remove lines 23 through 26

Page 3, replace lines 4 through 12 with:

"SECTION 4. DEPARTMENT OF CORRECTIONS AND REHABILITATION - LEGISLATIVE COUNCIL STUDY AND REPORTS. During the 2001-02 interim, the legislative council shall consider studying wages paid to inmates sentenced to the state correctional system and the various deductions from those wages, including methods used to determine rates of pay; actual wages paid to inmates; deductions from inmate wages; and the effect deductions for incarceration costs, facility operation costs, and capital improvement costs have on inmate payments for child support and restitution. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 5. DEPARTMENT OF CORRECTIONS AND REHABILITATION - FACILITY AND OPERATIONS - LEGISLATIVE COUNCIL STUDY. The legislative council shall study, during the 2001-02 interim, the facilities and operations of the department of corrections and rehabilitation. The study must include the use of consultant services as determined by the legislative council. The study must include the following:

1. An analysis and evaluation of all facilities currently used by the department of corrections and rehabilitation and all facilities currently used by the state hospital which may at some time be used by the department, including:
 - a. The age, condition, and adequacy of each facility.

- b. The operational efficiency of each facility, including utility costs and staffing needs.
 - c. Modifications, if any, required to allow the department to meet the various needs of adult offenders.
2. An analysis and evaluation of future facility needs, including:
 - a. The types of facilities needed to serve adult offenders.
 - b. The most appropriate location for the department's various facilities, considering:
 - (1) The operational inefficiencies of maintaining multiple facilities.
 - (2) The administrative benefits of having multiple facilities in which to place offenders.
 - (3) The availability of education, treatment, and work programs for inmates.
 3. An analysis and evaluation of the staffing needs of the department, including:
 - a. Current staff utilization and needs at each facility.
 - b. Availability of potential employees in each region in which the department operates or may operate a correctional facility.
 4. An analysis and evaluation of the anticipated need for additional prison beds, considering the following:
 - a. The impact of changes in sentencing laws.
 - b. The impact of programs that provide alternatives to conventional incarceration.
 - c. Trends in occurrence and types of crime committed in the state.
 - d. The utilization and availability of existing and proposed county or regional correctional facilities.
 - e. The utilization and availability of existing and proposed private correctional facilities.
 5. A cost-benefit analysis of the department's current and proposed programs, considering:
 - a. The effect on recidivism.
 - b. The necessity and effectiveness of providing rehabilitation and treatment services.
 - c. The availability of rehabilitation and treatment services which could be provided by entities or agencies other than the department, including regional human service centers.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the legislative council for the biennium beginning July 1, 2001, and ending June 30, 2003, for the purpose of contracting with a consultant to conduct the study as provided in section 5 of this Act.

SECTION 7. DEPARTMENT OF CORRECTIONS AND REHABILITATION - WOMEN'S UNIT CONSTRUCTION - LEGISLATIVE COUNCIL STUDY - BUDGET SECTION AUTHORIZATION. The total funds appropriation contained in subdivision 3 of section 1 of this Act includes \$2,450,000 from the general fund and \$1,400,000 from other funds for the construction of a women's unit for housing adult female offenders sentenced to the department of corrections and rehabilitation. The amounts appropriated for the construction of a women's unit may be spent if:

1. The legislative council conducts the study as provided in section 5 of this Act;
2. The committee conducting the study recommends construction of a women's unit after considering the following:
 - a. The need to construct the women's unit based on:
 - (1) The anticipated trends in male and female inmate populations;
 - (2) The anticipated impact of programs that provide alternatives to conventional incarceration;
 - (3) The availability and cost-effectiveness of prison beds available to the department on a contract basis in county, regional, or private correctional facilities; and
 - (4) Future capital construction needs of the department; and
 - b. The most feasible and desirable location of the women's unit based on:
 - (1) The availability of educational, treatment, work, and other programs;
 - (2) The availability of qualified staff to operate the women's unit and provide services to inmates; and
 - (3) Future capital construction needs of the department; and
3. The budget section of the legislative council authorizes the department to spend funds appropriated by the fifty-seventh legislative assembly for this purpose.

SECTION 8. FEDERAL FUNDING REDUCTIONS - BUDGET SECTION APPROVAL. If, during the biennium beginning July 1, 2001, and ending June 30, 2003, the federal government reduces funding below the level anticipated by the fifty-seventh legislative assembly for any programs administered by the department of corrections and rehabilitation, the department may not supplant the federal funds with general or special fund moneys without first obtaining the approval of the budget section of the legislative council. The department's budget request for the biennium beginning July 1, 2003, and ending June 30, 2005, must identify any programs for which general or special fund appropriation authority is requested to replace federal funds previously available for the program.

SECTION 9. OPERATION OF "PRERELEASE" AND "DUI OFFENDER TREATMENT" PROGRAMS - REPORT TO THE FIFTY-EIGHTH LEGISLATIVE ASSEMBLY. During the biennium beginning July 1, 2001, and ending June 30, 2003, the department of corrections and rehabilitation shall monitor the operation of the programs known as the "prerelease center" and the "DUI offender treatment center" authorized by the fifty-seventh legislative assembly. The department shall present a report to the appropriations committees of the fifty-eighth legislative assembly regarding the operation of the programs, including the impact of the programs on recidivism rates; the cost-effectiveness of the programs; the success of the programs; the ability to collect fees, if any, from the participating inmates; and a comparison of the costs and benefits of the "prerelease center" and the "DUI offender treatment center" to other forms of treatment or incarceration.

SECTION 10. LEGISLATIVE INTENT - FUNDING FOR DRUG COURT PROGRAM. It is the intent of the fifty-seventh legislative assembly that the department of corrections and rehabilitation seek federal funding to support the drug court program during the biennium beginning July 1, 2001, and ending June 30, 2003. If federal funds do not become available to the department to support the program, special funds derived from other income of the department may be used to fund the program. If federal funds become available during the biennium, the department must use the federal funds, and any required matching funds to be provided from special funds, to fund the program for the remainder of the biennium before funds from any other source are used for this purpose. Special fund moneys not used for the drug court program

pursuant to this section must be used in place of general fund moneys appropriated by the fifty-seventh legislative assembly for other programs operated by the department.

SECTION 11. AMENDMENT. Section 12-59-02 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

12-59-02. Meetings - Compensation - Rules. The governor shall appoint a member of the parole board to be chairman. The chairman of the parole board shall designate three members of the parole board for each meeting of the parole board. Meetings of the parole board must be held in accordance with rules established by the parole board and must be held as often as required to properly conduct the business of the board, but in any event not less than six times per year. The parole board may only take action upon the concurrence of at least two members who participated in the same meeting. The final decision of at least two parole board members who participated in the same parole board meeting constitutes the decision of the parole board. Members are entitled to be compensated at the rate of ~~sixty-two~~ seventy-five dollars ~~and fifty cents~~ per day for each day actually and necessarily spent in the performance of their duties as board members plus the same mileage and expenses as are authorized for state officials and employees. The director of the division of parole and probation, or the director's designee, is the clerk for the parole board.

SECTION 12. AMENDMENT. Subsection 1 of section 12.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~Prior to~~ Before imposing restitution or reparation as a sentence or condition of probation, the court shall hold a hearing on the matter with notice to the prosecuting attorney and to the defendant as to the nature and amount thereof. The court, when sentencing a person adjudged guilty of criminal activities ~~which~~ that have resulted in pecuniary damages, in addition to any other sentence it may impose, shall order that the defendant make restitution to the victim or other recipient as determined by the court, unless the court states on the record, based upon the criteria in this subsection, the reason it does not order restitution or orders only partial restitution. In determining whether to order restitution, the court shall take into account:
 - a. The reasonable damages sustained by the victim or victims of the criminal offense, which damages ~~must be~~ are limited to those directly related to the criminal offense and expenses actually incurred as a direct result of the defendant's criminal action. This can include an amount equal to the cost of necessary and related professional services and devices relating to physical, psychiatric, and psychological care. The defendant may be required as part of the sentence imposed by the court to pay the prescribed treatment costs for a victim of a sexual offense as defined in chapters 12.1-20 and 12.1-27.2.
 - b. The ability of the defendant to restore the fruits of the criminal action or to pay monetary reparations, or to otherwise take action to restore the victim's property.
 - c. The likelihood that attaching a condition relating to restitution or reparation will serve a valid rehabilitational purpose in the case of the particular offender considered.

The court shall fix the amount of restitution or reparation, which may not exceed an amount the defendant can or will be able to pay, and shall fix the manner of performance of any condition or conditions of probation established pursuant to this subsection. The court ~~may~~ shall order restitution be paid to the division of ~~parole and probation~~ adult services for any benefits ~~if~~ the division has paid or may pay under chapter 54-23.4 unless the court, on the record, directs otherwise. Any payments made pursuant to ~~such~~ the order must be deducted from damages awarded in a civil action arising from the same incident. An order that a defendant make restitution or reparation as a sentence or condition of probation may, unless the court directs otherwise, be filed, transcribed, and enforced by the person entitled to the restitution or reparation or by the division of adult services in the same manner as civil judgments rendered by the courts of this state may be enforced.

SECTION 13. A new section to chapter 54-23.3 of the North Dakota Century Code is created and enacted as follows:

Reports regarding new programs. Notwithstanding the powers granted under section 54-23.3-04, the director of the department of corrections and rehabilitation may not authorize any new program to serve adult or juvenile offenders, including programs that provide alternatives to conventional incarceration and programs operated on a contract basis, if the program is anticipated to cost in excess of one hundred thousand dollars during the biennium in which the program is implemented or any subsequent biennium without first reporting to the legislative assembly or, if the legislative assembly is not in session, the budget section of the legislative council.

SECTION 14. AMENDMENT. Subsection 2 of section 54-23.4-12 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. ~~Prior to~~ Before bringing an action to recover damages related to criminally injurious conduct for which compensation is claimed or awarded, the claimant shall give the division written notice of the proposed action. If a claimant brings an action for the recovery of damages related to criminally injurious conduct for which compensation is claimed or awarded, the division is subrogated to the rights of the claimant up to the total amount the division has paid. When there has been a recovery of damages, the costs of the action, to be paid by the division from the recovery, exclusive of attorney's fees, must be prorated and adjusted on the percentage of the total subrogation interest of the division recovered to the total recovery. If there is a recovery, the division shall pay attorney's fees to the claimant's attorney from the recovery in the amount of twenty-five percent of the subrogation interest recovered. For purposes of this section, recovery includes proceeds paid pursuant to a settlement, confession of judgment, or judgment of a court. The division may intervene in the action to recover compensation awarded. The division has a lien on a recovery to the extent it has paid compensation. The division is not liable for costs or attorney's fees when the claimant has not provided the division prior written notice of the commencement of an action. If a claimant does not bring an action for damages within six months from the date the division awarded benefits, the division may bring an action or claim for relief in the division's name and may retain as the division's subrogation interest the full amount the division has paid in compensation and benefits to a claimant. The division may bring an action within two years from the date the division first awarded benefits, notwithstanding any other statute of limitation. This section does not limit the claimant's right to bring an action to recover for other damages."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Legislative Council						
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income						
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Department of Corrections and Rehabilitation - Adult Services						
Total all funds	\$88,268,147	\$88,268,147	(\$5,630,424)	\$82,637,723	\$77,427,001	\$5,210,722
Less estimated income	18,649,184	18,649,184	47,680	18,696,864	17,296,864	1,400,000
General fund	\$69,618,963	\$69,618,963	(\$5,678,104)	\$63,940,859	\$60,130,137	\$3,810,722
Department of Corrections and Rehabilitation - Central Office						
Total all funds	\$1,533,542	\$1,533,654	(\$41,100)	\$1,392,554	\$1,285,683	\$106,871
Less estimated income	11,160	11,160		11,160	11,160	
General fund	\$1,522,382	\$1,522,494	(\$141,100)	\$1,381,394	\$1,274,523	\$106,871
Department of Corrections and Rehabilitation - Juvenile Services						
Total all funds	\$21,088,929	\$21,189,929	(\$354,700)	\$20,835,229	\$20,744,409	\$90,820
Less estimated income	7,762,275	7,863,275	(38,200)	7,825,075	7,825,075	
General fund	\$13,326,654	\$13,326,654	(\$316,500)	\$13,010,154	\$12,919,334	\$90,820
Bill Total						
Total all funds	\$110,890,618	\$110,991,730	(\$5,926,224)	\$105,065,506	\$99,457,093	\$5,608,413
Less estimated income	26,422,619	26,523,619	9,480	26,533,099	25,133,099	1,400,000
General fund	\$84,467,999	\$84,468,111	(\$5,935,704)	\$78,532,407	\$74,323,994	\$4,208,413

Senate Bill No. 2016 - Department of Corrections and Rehabilitation - Adult Services - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$7,073,227					
Operating expenses	9,222,935					
Equipment	63,102					
Grants	3,280,619					
Victims services		\$3,423,566		\$3,423,566	\$3,415,066	\$8,500
Institutional offender services		4,460,612	(\$597,484)	3,863,128	3,863,128	
Community offender services		11,755,705	(401,835)	11,353,870	11,203,870	150,000
Support services	28,600,319	28,600,319	(3,341,653)	25,258,666	20,905,566	4,353,100
Program services	4,086,082	4,086,082	(353,751)	3,732,331	3,619,457	112,874
Security and safety	25,092,023	25,092,023	(928,151)	24,163,872	23,577,624	586,248
Roughrider Industries	10,849,840	10,849,840	(7,550)	10,842,290	10,842,290	
Total all funds	\$88,268,147	\$88,268,147	(\$5,630,424)	\$82,637,723	\$77,427,001	\$5,210,722
Less estimated income	18,649,184	18,649,184	47,680	18,696,864	17,296,864	1,400,000
General fund	\$69,618,963	\$69,618,963	(\$5,678,104)	\$63,940,859	\$60,130,137	\$3,810,722
FTE	508.25	508.25	(23.50)	484.75	456.75	28.00

Dept. 519 - Department of Corrections and Rehabilitation - Adult Services - Detail of Conference Committee Changes

	REDUCE FUNDING FOR DUI OFFENDER TREATMENT PROGRAM ¹	REDUCE BUDGETED COMPUTER PRICES ²	REDUCE NUMBER OF NEW DESKTOP COMPUTERS ³	REDUCE FUNDING FOR SMI UNIT ⁴	REDUCE INSTITUTIONAL OFFENDER SERVICES ⁵	REDUCE COMMUNITY OFFENDER SERVICES ⁶
Salaries and wages						
Operating expenses						
Equipment						
Capital improvements						
Grants						
Victims services						
Institutional offender services	(\$539,284)	(\$750)			(\$57,450)	
Community offender services		(11,308)	(\$8,400)			(\$382,127)
Support services		(15,400)	(5,600)	(\$563,478)		
Program services		(3,600)		(247,646)		
Security and safety		(1,800)		(843,326)		
Roughrider Industries		(6,150)	(1,400)			
Total all funds	(\$539,284)	(\$39,008)	(\$15,400)	(\$1,654,450)	(\$57,450)	(\$382,127)
Less estimated income		(10,920)	(1,400)			60,000
General fund	(\$539,284)	(\$28,088)	(\$14,000)	(\$1,654,450)	(\$57,450)	(\$442,127)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	REDUCE SUPPORT SERVICES ⁷	REDUCE SECURITY AND SAFETY ⁸	REMOVE CAPITAL PROJECTS ⁹	REMOVE FTE AND OPERATING EXPENSES FOR WOMEN'S UNIT ¹⁰	ADD CONTINGENT FUNDING FOR WOMEN'S UNIT ¹¹
Salaries and wages					
Operating expenses					
Equipment					
Capital improvements					
Grants					
Victims services					
Institutional offender services					
Community offender services					
Support services	(\$489,743)		(\$5,703,000)	(\$414,432)	\$3,850,000
Program services		(\$5,000)		(102,505)	
Security and safety				(524,130)	
Roughrider Industries					
Total all funds	(\$489,743)	(\$5,000)	(\$5,703,000)	(\$1,041,067)	\$3,850,000
Less estimated income			(1,400,000)		1,400,000
General fund	(\$489,743)	(\$5,000)	(\$4,303,000)	(\$1,041,067)	\$2,450,000
FTE	0.00	0.00	0.00	(22.50)	

	ADD FUNDING FOR CONTRACT INMATE HOUSING ¹²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Capital improvements		
Grants		
Victims services		
Institutional offender		(597,484)

services		
Community offender services		(401,835)
Support services		(3,341,653)
Program services		(353,751)
Security and safety	\$446,105	(928,151)
Roughrider Industries		<u>(7,550)</u>
Total all funds	\$446,105	(\$5,630,424)
Less estimated income		<u>47,680</u>
General fund	\$446,105	(\$5,678,104)
FTE	0.00	(23.50)

- 1 Funding for the DUI offender treatment program, which will be operated on a contract basis with the State Hospital, is reduced from \$2,139,284 to \$1,600,000 to reflect a reduction in administrative cost allocation charged by the State Hospital, the same as the House version.
- 2 The Senate version for the Adult Services Division included funding for 47 new desktop computers budgeted at various prices ranging from \$1,914 to \$2,300 per computer and six new laptop computers budgeted at various prices ranging from \$2,500 to \$3,500 per computer. This amendment reduces the price per computer to \$1,400 for desktop computers and \$1,750 for laptop computers, the same as the House version.
- 3 The total number of new desktop computers budgeted to be replaced by the Department of Corrections and Rehabilitation is reduced by approximately 27 percent, from 106 to 77, the same as the House version. The number of budgeted desktop computer purchases is reduced from 47 to 34 for the Adult Services Division, the same as the House version.
- 4 Funding is provided by the Conference Committee for the proposed seriously mentally ill (SMI) unit only for the last six months of the biennium as follows:

	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE VERSION
Total general fund	\$2,437,797	\$0	\$783,347
FTE	28.00	0.00	28.00

- 5 The institutional offender services line item is adjusted for the following changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Operating expenses	(\$10,000)		(\$10,000)
Compensation rate increase for Parole Board members from \$62.50 to \$75 per day	2,550		2,550
Total change from Senate version	<u>(\$7,450)</u>	\$0	<u>(\$7,450)</u>

- 6 The community offender services line item is reduced to reflect the following changes:

	FTE	GENERAL FUND	OTHER FUNDS	TOTAL
Temporary salaries		(\$14,000)		(\$14,000)
Operating expenses		(257,000)		(257,000)
Funding source change (additional supervision fees)		(60,000)	\$60,000	
Remove parole officer II position				
Salaries and wages	(1.00)	(78,755)		(78,755)
Operating expenses		<u>(32,372)</u>		<u>(32,372)</u>
Total reduction relating to new positions	(1.00)	(\$111,127)		(\$111,127)
Total change from Senate version	(1.00)	(\$442,127)	\$60,000	(\$382,127)

Compared to the House version, this amendment restores \$150,000 from the general fund to this line item.

- 7 The support services line item is reduced to reflect the following changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Temporary salaries	(\$8,000)		(\$8,000)
Medical, dental, and optical expenses	30,000		30,000
Hepatitis B vaccinations and screening and treatment for other contagious diseases	91,375		91,375
Other equipment	(100,000)		(100,000)
Capital improvements - Penitentiary parking lot	(403,118)		(403,118)
Capital improvements - Extraordinary repairs	(100,000)		(100,000)
Total change from Senate version	<u>(\$489,743)</u>	\$0	<u>(\$489,743)</u>

- 8 The security and safety line item is reduced to reflect a \$5,000 reduction in operating expenses.

- 9 Funding is removed for the following capital projects:

	FUND	FUNDS	TOTAL
Missouri River Correctional Center - Food service building	(\$1,983,000)		(\$1,983,000)
Women's unit	<u>(2,320,000)</u>	<u>(\$1,400,000)</u>	<u>(3,720,000)</u> ^a
Total change from Senate version	(\$4,303,000)	(\$1,400,000)	(\$5,703,000)

^a Contingent funding of \$3.85 million is added for construction of the women's unit (see footnote 11 below).

¹⁰ Funding is removed for the proposed women's unit as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages	(\$585,457)		(\$585,457)
Operating expenses	(421,815)		(421,815)
Equipment	<u>(33,795)</u>		<u>(33,795)</u>
Total change from Senate version	(\$1,041,067)	\$0	(\$1,041,067)

¹¹ Funding is added for construction of a women's unit, subject to the outcome of a Legislative Council study and Budget Section approval.

¹² The Senate version included \$2,452,275 for housing inmates at county or out-of-state correctional facilities. This amendment increases that amount to \$2,898,380. The House had increased the Senate version by \$196,105.

Senate Bill No. 2016 - Department of Corrections and Rehabilitation - Central Office - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$1,281,245	\$1,281,357	(\$126,000)	\$1,155,357	\$1,075,871	\$79,486
Operating expenses	171,447	171,447		171,447	152,062	19,385
Equipment	<u>80,850</u>	<u>80,850</u>	<u>(15,100)</u>	<u>65,750</u>	<u>57,750</u>	<u>8,000</u>
Total all funds	\$1,533,542	\$1,533,654	(\$141,100)	\$1,392,554	\$1,285,683	\$106,871
Less estimated income	<u>11,160</u>	<u>11,160</u>		<u>11,160</u>	<u>11,160</u>	
General fund	\$1,522,382	\$1,522,494	(\$141,100)	\$1,381,394	\$1,274,523	\$106,871
FTE	10.00	10.00	0.00	10.00	9.00	1.00

Dept. 530 - Department of Corrections and Rehabilitation - Central Office - Detail of Conference Committee Changes

	REDUCE FUNDING FOR TEMPORARY SALARIES	REMOVE FUNDING FOR SALARY EQUITY INCREASES ¹	REDUCE BUDGETED COMPUTER PRICES ²	REMOVE FUNDING FOR COMPUTER SERVER ³
Salaries and wages	(\$1,000)	(\$125,000)		
Operating expenses				
Equipment			<u>(\$6,300)</u>	<u>(\$6,000)</u>
Total all funds	(\$1,000)	(\$125,000)	(\$6,300)	(\$6,000)
Less estimated income				
General fund	(\$1,000)	(\$125,000)	(\$6,300)	(\$6,000)
FTE	0.00	0.00	0.00	0.00

	REDUCE NUMBER OF NEW DESKTOP COMPUTERS ⁴	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$126,000)
Operating expenses		
Equipment	<u>(\$2,800)</u>	<u>(15,100)</u>
Total all funds	(\$2,800)	(\$141,100)
Less estimated income		
General fund	(\$2,800)	(\$141,100)
FTE	0.00	0.00

¹ The Senate version included \$125,000 for salary adjustments, in addition to the executive budget compensation package, to address equity and salary compression issues within the department. This amendment removes this funding, the same as the House version.

² The Senate version for the Central Office included funding for nine new desktop computers, budgeted at a cost of \$2,100 per computer. This amendment reduces the budgeted price per computer to \$1,400, the same as the House version.

³ The Senate version for the Central Office included funding to replace three computer servers, one at a price of \$25,000 and two at \$14,000. This amendment removes funding for one of the \$14,000 servers, the same as the House version.

⁴ The total number of desktop computers budgeted to be replaced by the Department of Corrections and Rehabilitation is reduced by approximately 27 percent, from 106 to 77. The number of budgeted desktop computer purchases is reduced from nine to seven for the Central Office.

Compared to the House version, this amendment restores one FTE data processing position and related operating expenses (\$87,871) and other operating expenses (\$11,000).

Senate Bill No. 2016 - Department of Corrections and Rehabilitation - Juvenile Services - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$10,819,873	\$10,819,873	(\$172,375)	\$10,647,498	\$10,647,498	
Operating expenses	4,930,382	5,031,382	(113,975)	4,917,407	4,891,907	\$25,500
Equipment	217,050	217,050	(68,350)	148,700	119,700	29,000
Capital improvements	707,747	707,747		707,747	671,427	36,320
Grants	<u>4,413,877</u>	<u>4,413,877</u>		<u>4,413,877</u>	<u>4,413,877</u>	
Total all funds	\$21,088,929	\$21,189,929	(\$354,700)	\$20,835,229	\$20,744,409	\$90,820
Less estimated income	<u>7,762,275</u>	<u>7,863,275</u>	<u>(38,200)</u>	<u>7,825,075</u>	<u>7,825,075</u>	
General fund	\$13,326,654	\$13,326,654	(\$316,500)	\$13,010,154	\$12,919,334	\$90,820
FTE	120.43	120.43	0.00	120.43	120.43	0.00

Dept. 532 - Department of Corrections and Rehabilitation - Juvenile Services - Detail of Conference Committee

	REDUCE TEMPORARY SALARIES RELATING TO NEW POSITIONS ¹	REDUCE OPERATING EXPENSES ²	REDUCE EQUIPMENT ³	REDUCE FUNDING FOR SUMMER SCHOOL PROGRAM	REDUCE FUNDING FOR TEACHER SALARY INCREASES ⁴	REDUCE BUDGETED COMPUTER PRICES ⁵
Salaries and wages	(\$41,000)			(\$40,000)	(\$91,375)	
Operating expenses		(\$113,975)				
Equipment			(\$5,000)			(\$43,750)
Capital improvements						
Grants						
Total all funds	(\$41,000)	(\$113,975)	(\$5,000)	(\$40,000)	(\$91,375)	(\$43,750)
Less estimated income						<u>(25,600)</u>
General fund	(\$41,000)	(\$113,975)	(\$5,000)	(\$40,000)	(\$91,375)	(\$18,150)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	REDUCE NUMBER OF NEW DESKTOP COMPUTERS ⁶	TOTAL CONFERENCE COMMITTEE CHANGES				
Salaries and wages		(\$172,375)				
Operating expenses		(113,975)				
Equipment	(\$19,600)	(68,350)				
Capital improvements						
Grants						
Total all funds	(\$19,600)	(\$354,700)				
Less estimated income	<u>(12,600)</u>	<u>(38,200)</u>				
General fund	(\$7,000)	(\$316,500)				
FTE	0.00	0.00				

¹ The Senate version included one FTE security officer I for the Youth Correctional Center and one FTE administrative assistant I for the Juvenile Community Services Division. This amendment reduces the salaries and wages line item by \$41,000 (\$12,000 for Juvenile Community Services and \$29,000 for the Youth Correctional Center) to reflect an anticipated reduction in the need for temporary employees as a result of the new positions, the same as the House version.

² The Juvenile Services Division operating expenses line item is reduced to reflect the following changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Juvenile Community Services (JCS)	(\$55,000)		(\$55,000)
Division - Various reductions			
JCS Division - Juvenile transportation costs (SB 2220 with House amendments)	(41,475)		(41,475)
YCC - Administration	(7,500)		(7,500)
YCC - Education	<u>(10,000)</u>		<u>(10,000)</u>
Total change from Senate version	(\$113,975)	\$0	(\$113,975)

The House had reduced these items by \$139,475.

³ This amendment reduces the amount appropriated to the Youth Correctional Center for "other" equipment from \$54,729 to \$49,729. The House had reduced this by \$34,000.

⁴ The Senate version for the Juvenile Services Division included \$291,375 for salary adjustments, in addition to the executive budget compensation package, to increase teacher salaries pursuant to a composite salary schedule developed by the Central Personnel Division. This amendment reduces this amount to \$200,000, the same as the House version.

⁵ The Senate version for the Juvenile Services Division included funding for the purchase of 50 new desktop computers and three new laptop computers, budgeted at a price of \$2,200 per desktop and \$3,000 per laptop. This amendment reduces the budgeted prices to \$1,400 per desktop and \$1,750 per laptop, the same as the House version.

⁶ The total number of desktop computers budgeted to be replaced by the Department of Corrections and Rehabilitation is reduced by approximately 27 percent, from 106 to 77, the same as the House version. The number of budgeted desktop computer purchases is reduced from 50 to 36 for the Juvenile Services Division, the same as the House version.

This amendment does not reduce funding for heating plant improvements at the Youth Correctional Center. The House version had reduced this item by \$36,320 from the general fund.

This amendment removes the following sections included in the House amendment:

- The section which provided that any moneys budgeted by the Youth Correctional Center for teacher contracts for the summer education program but not spent for that purpose must be returned to the general fund at the end of the 2001-03 biennium.
- The section which authorized the department to transfer funds between the subdivisions and program line items included in the bill for the purpose of providing for computer purchases.
- The section which provided that any moneys budgeted for the operation of the prerelease center but not spent for that purpose may not be used for any other purpose except contracting for inmate housing.

This amendment also adds the following sections:

- Section 4, which directs the Legislative Council to consider studying issues relating to inmate wages and various deductions from those wages.
- Section 5, which directs the Legislative Council to consider studying the facility needs of the Department of Corrections and Rehabilitation.
- Section 6, which provides an appropriation of \$200,000 to the Legislative Council for a study.
- Section 7, which provides for the Budget Section authorization, after a study, of the women's unit.
- Section 8, which provides that if federal funding is reduced during the 2001-03 biennium, the department may not supplant the federal funds with general or special funds. The department must also identify any programs included in its 2003-05 biennium budget request for which general or special fund appropriation authority is requested to replace federal funds previously available for the program.
- Section 9, which directs the department to report to the Appropriations Committees of the Fifty-eighth Legislative Assembly on the effectiveness of the prerelease and DUI offender treatment programs.
- Section 10, which provides legislative intent that the department seek federal funding for the drug court program. If federal funds become available, the department must spend the federal funds in place of the special funds appropriated for the program; the special funds appropriation for the program must then be used in place of general fund moneys appropriated for other programs.
- Section 11, which amends North Dakota Century Code (NDCC) Section 12-59-02 to increase the compensation rate for Parole Board members from \$62.50 per day to \$75 per day.
- Section 13, which creates a new section to NDCC Chapter 54-23.3 to require the department to report to the Legislative Assembly or the Budget Section before establishing any new correctional program.
- Sections 12 and 14, which amend NDCC Sections 12.1-32-08 and 54-23.4-12 to provide that if crime victims compensation is awarded, the department has the right of subrogation to initiate a claim for relief to recover funds from a collateral source.

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT
SEN. NETHING MOVED that the conference committee report on Engrossed SB 2016 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2016, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2016: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide for line item transfers; to provide legislative intent; to provide for budget section authorization of the construction of a women's unit; to provide for a legislative council study; to create and enact a new section to chapter 54-23.3 of the North Dakota Century Code, relating to the establishment of new programs by the director of the department of corrections and rehabilitation; and to amend and reenact section 12-59-02, subsection 1 of section 12.1-32-08, and subsection 2 of section 54-23.4-12 of the North Dakota Century Code, relating to compensation of parole board members, indigent defense costs and expenses, and crime victims compensation subrogation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroepelin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Tallackson; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

NAYS: Mutch

ABSENT AND NOT VOTING: Andrist; Bowman

Reengrossed SB 2016 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2016.

REPORT OF CONFERENCE COMMITTEE

HB 1013, as engrossed: Your conference committee (Sens. Holmberg, Cook, Robinson and Reps. Monson, R. Kelsch, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1618-1625, adopt amendments as follows, and place HB 1013 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1618-1625 of the House Journal and pages 1479-1485 of the Senate Journal and that Engrossed House Bill No. 1013 be amended as follows:

Page 1, line 2, after "instruction" insert ", the division of independent study", remove "and" and after "library" insert ", and the state board for vocational and technical education"

Page 1, line 3, after the semicolon insert "and" and replace "4" with "1"

Page 1, line 4, replace "15-40.1-07.8" with "15-40.1-16", replace "4" with "1", and replace "15.1-27-11" with "15.1-27-26"

Page 1, line 5, replace "supplemental" with "transportation"

Page 1, line 6, remove "; and to declare an emergency"

Page 1, line 11, after the second comma insert "the division of independent study,"

Page 1, line 16, replace "12,170,316" with "8,985,148"

Page 1, line 17, replace "17,031,193" with "15,310,080"

Page 1, line 18, replace "534,140" with "344,140"

Page 1, remove line 19

Page 1, line 20, replace "461,035,668" with "473,971,648"

Page 1, line 21, replace "46,640,055" with "35,036,000"

Page 1, line 22, replace "3,450,000" with "2,200,000"

Page 2, line 1, replace "149,350,263" with "149,420,263"

Page 2, line 2, replace "100,000" with "100,000"

Page 2, remove line 3

Page 2, line 4, replace "807,524,355" with "802,504,999"

Page 2, line 5, replace "237,044,955" with "232,691,705"

Page 2, line 6, replace "570,479,400" with "569,813,294"

Page 2, after line 6, insert:

"Subdivision 2.

DIVISION OF INDEPENDENT STUDY

Salaries and wages	\$3,257,968
Operating expenses	1,718,498
Equipment	190,000
Capital improvements	55,000
Total all funds	\$5,221,466
Less estimated income	<u>4,353,250</u>
Total general fund appropriation	\$868,216"

Page 2, line 7, replace "2" with "3"

Page 2, line 16, replace "3" with "4"

Page 2, line 18, replace "4,814,058" with "4,888,058"

Page 2, line 22, replace "6,075,925" with "6,149,925"

Page 2, line 24, replace "4,980,301" with "5,054,301"

Page 2, line 25, replace "4" with "5"

Page 2, line 27, replace "2,668,958" with "2,725,158"

Page 2, line 28, replace "652,238" with "662,238"

Page 2, line 31, replace "3,406,612" with "3,472,812"

Page 3, line 2, replace "2,048,791" with "2,114,991"

Page 3, line 3, replace "580,623,148" with "580,978,458"

Page 3, line 5, replace "821,720,405" with "822,075,715"

Page 3, replace lines 18 through 31 with:

"SECTION 4. RED RIVER VALLEY WRITING PROJECT. The operating expenses line item in subdivision 1 of section 1 of this Act includes \$20,000 from the general fund which must be used to support the Red River valley writing project during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 5. STANDARDS-BASED STUDENT TESTING. The operating expenses line item in subdivision 1 of section 1 of this Act includes \$1,217,928 from the general fund which must be used to develop and administer student tests aligned with the state content standards and to report the results of the tests during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 6. COMPENSATION PAYMENTS TO TEACHERS AT STATE INSTITUTIONS. In addition to amounts otherwise appropriated for salary increases for

teachers at the division of independent study, the school for the deaf, and the school for the blind, the amounts appropriated for salaries and wages in subdivisions 2, 4, and 5 of section 1 of this Act include the following general fund amounts which must be used to increase teacher compensation by \$1,000 per year the first year of the biennium and by an additional \$2,000 per year the second year of the biennium:

Division of independent study	\$72,800
School for the deaf	\$74,000
School for the blind	\$56,200"

Page 4, remove lines 1 through 6

Page 4, line 10, replace "129.95" with "94.25"

Page 5, line 6, remove "These grants must be administered under the direction of the educational"

Page 5, remove line 7

Page 5, line 10, replace "\$450,000" with "\$650,000"

Page 5, line 21, replace "2" with "3"

Page 5, line 25, replace "4" with "5"

Page 5, replace lines 28 through 30 with:

"SECTION 15. AMENDMENT. If House Bill No. 1045 does not become effective, subsection 1 of section 15-40.1-16 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. There must be paid from state funds to each school district providing schoolbus transportation in contract schoolbuses or in district-owned and operated schoolbuses, and to school districts with students riding commercial buses to and from school, the following amounts:
 - a. For schoolbuses and school vehicles transporting students who live outside the incorporated limits of the city in which the students' school is located, a sum equal to twenty-five cents per mile [1.61 kilometers] for vehicles having a capacity of nine or fewer students and sixty-seven cents per mile [1.61 kilometers] for schoolbuses having a capacity of ten or more students ~~and~~, for schoolbuses and school vehicles having a capacity of nine or fewer students and transporting students who live within the incorporated limits of a city in which the students' school is located, a sum equal to twenty-five cents per mile [1.61 kilometers], and for schoolbuses and school vehicles having a capacity of ten or more students and transporting students who live within the incorporated limits of a city in which the students' school is located, a sum equal to thirty-five cents per mile [1.61 kilometers]. School districts qualifying for payments for buses having a capacity of ten or more students are entitled to an amount equal to forty cents per day for each public school student living outside the city limits who is transported in such buses.
 - b. For students who ride schoolbuses or commercial buses to or from school and who live within the incorporated limits of the city within which the school that the students attend is located, a sum equal to twenty cents per student per one-way trip.

The mileage payments provided for in this subsection must be made to each school district for transporting students to and from school. Payments may be made only to school districts operating schoolbuses in accordance with the laws of this state relating to standards for schoolbuses, and to the qualifications of schoolbus drivers. Certification as to compliance with the laws of this state in regard to schoolbuses and their drivers must be made in such manner and detail as the superintendent of public instruction may require at the time an application is made for payments provided under this subsection."

Page 6, remove lines 1 through 4

Page 6, replace lines 12 through 20 with:

"SECTION 17. AMENDMENT. Subsection 1 of section 15.1-27-26 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

1. Each school district providing transportation to students in contract schoolbuses or in district-owned and operated schoolbuses, and each school district with students riding commercial buses to and from school is entitled to receive the following amounts:
 - a. Twenty-five cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of nine or fewer students and transporting students who reside outside the incorporated limits of the city in which the students' school is located.
 - b. Sixty-seven cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of ten or more students and transporting students who reside outside the incorporated limits of the city in which the students' school is located.
 - c. Twenty-five cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of nine or fewer students and transporting students who reside within the incorporated limits of a city in which the students' school is located.
 - d. Thirty-five cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of ten or more students and transporting students who reside within the incorporated limits of a city in which the students' school is located.
 - e. Twenty cents for each one-way trip by a student who rides a schoolbus or a commercial bus to or from school and who resides within the incorporated limits of the city in which the student's school is located.

SECTION 18. APPROPRIATION - STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$13,000, or so much of the sum as may be necessary, to the state board for vocational and technical education for the purpose of providing grants to support vocational education programs for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1013 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Public Instruction						
Total all funds	\$787,839,439	\$807,524,355	(\$5,019,356)	\$802,504,999	\$781,613,499	\$20,891,500
Less estimated income	237,017,455	237,044,955	(4,353,250)	232,691,705	232,691,705	
General fund	\$550,821,984	\$570,479,400	(\$666,106)	\$569,813,294	\$548,921,794	\$20,891,500
Division of Independent Study						
Total all funds	\$0	\$0	\$5,221,466	\$5,221,466	\$5,244,216	(\$22,750)
Less estimated income			4,353,250	4,353,250	4,353,250	
General fund	\$0	\$0	\$868,216	\$868,216	\$890,966	(\$22,750)
State Library						
Total all funds	\$4,713,513	\$4,713,513	\$0	\$4,713,513	\$4,713,513	\$0
Less estimated income	1,598,857	1,598,857		1,598,857	1,598,857	
General fund	\$3,114,656	\$3,114,656	\$0	\$3,114,656	\$3,114,656	\$0
School for the Deaf						
Total all funds	\$6,075,925	\$6,075,925	\$74,000	\$6,149,925	\$6,173,050	(\$23,125)
Less estimated income	1,095,624	1,095,624		1,095,624	1,095,624	
General fund	\$4,980,301	\$4,980,301	\$74,000	\$5,054,301	\$5,077,426	(\$23,125)
School for the Blind						
Total all funds	\$3,332,292	\$3,406,612	\$66,200	\$3,472,812	\$3,490,375	(\$17,563)
Less estimated income	1,283,501	1,357,821		1,357,821	1,357,821	

General fund	\$2,048,791	\$2,048,791	\$66,200	\$2,114,991	\$2,132,554	(\$17,563)
Vocational Education						
Total all funds	\$0	\$0	\$13,000	\$13,000	\$0	\$13,000
Less estimated income						
General fund	\$0	\$0	\$13,000	\$13,000	\$0	\$13,000
Bill Total						
Total all funds	\$801,961,169	\$821,720,405	\$355,310	\$822,075,715	\$801,234,653	\$20,841,062
Less estimated income	240,995,437	241,097,257		241,097,257	241,097,257	
General fund	\$560,965,732	\$580,623,148	\$355,310	\$580,978,458	\$560,137,396	\$20,841,062

House Bill No. 1013 - Department of Public Instruction - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$12,273,865	\$12,170,316	(\$3,185,168)	\$8,985,148	\$9,085,148	(\$100,000)
Operating expenses	17,431,193	17,031,193	(1,721,113)	15,310,080	15,210,080	100,000
Equipment	534,140	534,140	(190,000)	344,140	344,140	
Capital improvements	55,000	55,000	(55,000)			
Grants - Foundation aid and transportation	485,542,761	461,035,668	12,935,980	473,971,648	488,166,148	(14,194,500)
Grants - Teacher compensation payments		46,640,055	(11,604,055)	35,036,000		35,036,000
Grants - Revenue supplement payments	3,450,000	3,450,000	(1,250,000)	2,200,000	2,200,000	
Grants - Tuition apportionment	67,239,025	67,239,025		67,239,025	67,239,025	
Grants - Special education	51,260,000	49,898,695		49,898,695	49,898,695	
Grants - Other grants	149,970,455	149,350,263	70,000	149,420,263	149,420,263	
Geographic education	50,000	100,000		100,000	50,000	50,000
National board certification	33,000	20,000	(20,000)			
Total all funds	\$787,839,439	\$807,524,355	(\$5,019,356)	\$802,504,999	\$781,613,499	\$20,891,500
Less estimated income	237,017,455	237,044,955	(4,353,250)	232,691,705	232,691,705	
General fund	\$550,821,984	\$570,479,400	(\$666,106)	\$569,813,294	\$548,921,794	\$20,891,500
FTE	131.95	130.95	(35.70)	95.25	95.25	0.00

Dept. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	RESTORE FTE AND REDUCE OPERATING EXPENSES ¹	ADD FUNDING FOR DUES TO THE EDUCATION COMMISSION OF THE STATES ²	REDUCE FUNDING FOR TITLE I TESTING ³	ADD FUNDING FOR LIMITED ENGLISH PROFICIENCY PAYMENTS ⁴	REDUCE SUPPLEMENTAL PAYMENTS ⁵	RESTORE FUNDING FOR GOVERNOR'S SCHOOL ⁶
Salaries and wages						
Operating expenses	(\$20,000)	\$89,100	(\$71,715)			
Equipment						
Capital improvements						
Grants - Foundation aid and transportation				\$200,000		
Grants - Teacher compensation payments						
Grants - Revenue supplement payments					(\$1,250,000)	
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants						\$60,000
Geographic education						
National board certification						
Total all funds	(\$20,000)	\$89,100	(\$71,715)	\$200,000	(\$1,250,000)	\$60,000
Less estimated income						
General fund	(\$20,000)	\$89,100	(\$71,715)	\$200,000	(\$1,250,000)	\$60,000
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	REMOVE FUNDING FOR TEACHER CERTIFICATION PROGRAM ⁷	ADD FUNDING FOR TEACHER CENTERS ⁸	REMOVE INDEPENDENT STUDY ⁹	REMOVE TEACHER COMPENSATION PAYMENTS AND INCREASE FOUNDATION AID ¹⁰	ADD FTE FOR DEVELOPING SCHOOL DISTRICT COMPENSATION REPORT ¹¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			(\$3,185,168)			(\$3,185,168)
Operating expenses			(1,718,498)			(1,721,113)
Equipment			(190,000)			(190,000)
Capital improvements			(55,000)			(55,000)
Grants - Foundation aid and transportation				\$12,735,980		12,935,980
Grants - Teacher compensation payments				(11,604,055)		(11,604,055)
Grants - Revenue supplement payments						(1,250,000)
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants		\$10,000				70,000
Geographic education						
National board certification	(\$20,000)					(\$20,000)
Total all funds	(\$20,000)	\$10,000	(\$5,148,666)	\$1,131,925	\$0	(\$5,019,356)

Less estimated income			<u>(4,353,250)</u>			<u>(4,353,250)</u>
General fund	(\$20,000)	\$10,000	(\$795,416)	\$1,131,925	\$0	(\$666,106)
FTE	0.00	0.00	(37.70)	0.00	1.00	(35.70)

- ¹ The Conference Committee amendment restores one FTE removed by the House and reduces operating expenses by \$20,000. The Senate restored \$100,000 to salaries and wages reduced by the House and the FTE position removed by the House. In addition, the Senate removed \$120,000 from the operating expenses line item.
- ² The Conference Committee amendment includes the Senate change to add funding for dues to the Education Commission of the States.
- ³ The House version of House Bill No. 1013 included a general fund appropriation of \$1,289,643 for developing and administering standards-based assessments, as required for the state to be eligible to continue receiving federal Title I funding. The Department of Public Instruction has received a proposal to develop and administer the required tests at a cost of \$1,212,928 for the 2001-03 biennium. In addition, the department has indicated that the cost of reporting the results, as required by House Bill No. 1293, will be an additional \$5,000. The Conference Committee and Senate versions provide \$1,217,928 to fully fund the federal Title I testing and the requirements of House Bill No. 1293.
- ⁴ The Conference Committee and Senate versions increase the appropriation for limited English proficiency payments from \$450,000 to \$650,000 to provide for the payment levels specified in House Bill No. 1321.
- ⁵ North Dakota Century Code (NDCC) Section 15-40.1-07.8 provides a formula for the distribution of supplemental payments to school districts. The formula limits the amount each district qualifies for and does not provide a mechanism to allow the distribution of any remaining funds. For the 1999-2001 biennium, the department estimates that \$420,838 will remain unspent and will be general fund turnback. For the 2001-03 biennium, the department estimates that the statutory formula will only allow the distribution of approximately \$2.2 million. The House amended NDCC Section 15-40.1-07.8 to allow the department to adjust the formula to distribute all supplemental payment funds appropriated for the 1999-2001 biennium and future bienniums. The Senate and Conference Committee versions remove the statutory changes proposed by the House and reduce the appropriation accordingly.
- ⁶ The Conference Committee amendment includes the Senate change to increase funding for the Governor's school program by \$60,000, as included in the Schafer and Hoeven executive budget recommendations.
- ⁷ The Schafer and Hoeven budget recommendations included \$33,000 for the teacher certification program. The House reduced the funding to \$20,000, which is the same as the amount appropriated for the 1999-2001 biennium. House Bill No. 1344 includes \$41,500 for this program. Consequently, this amendment removes the funding from this bill.
- ⁸ The Conference Committee amendment includes the Senate change to increase funding for teacher centers.
- ⁹ In the Conference Committee and Senate versions, funding and FTE authority relating to the Division of Independent Study are removed from the Department of Public Instruction and reflected in a separate subdivision of the bill.
- ¹⁰ The teacher compensation payments line item is reduced and foundation aid is increased to reflect the payment levels provided in House Bill No. 1344.
- ¹¹ House Bill No. 1344 appropriates \$200,000 to the Department of Public Instruction for developing a school district employee compensation report. The appropriation provides salaries and related expenses for a new FTE position at the department.

House Bill No. 1013 - Division of Independent Study - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages			\$3,257,968	\$3,257,968	\$3,280,718	(\$22,750)
Operating expenses			1,718,498	1,718,498	1,718,498	
Equipment			190,000	190,000	190,000	
Capital improvements			<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	
Total all funds	\$0	\$0	\$5,221,466	\$5,221,466	\$5,244,216	(\$22,750)
Less estimated income			<u>4,353,250</u>	<u>4,353,250</u>	<u>4,353,250</u>	
General fund	\$0	\$0	\$868,216	\$868,216	\$890,966	(\$22,750)
FTE	0.00	0.00	37.70	37.70	37.70	0.00

Dept. 202 - Division of Independent Study - Detail of Conference Committee Changes

	SEPARATE FUNDING FOR DIVISION OF INDEPENDENT STUDY ¹	ADD FUNDING FOR TEACHER COMPENSATION PAYMENTS ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$3,185,168	\$72,800	\$3,257,968
Operating expenses	1,718,498		1,718,498
Equipment	190,000		190,000
Capital improvements	<u>55,000</u>		<u>55,000</u>
Total all funds	\$5,148,666	\$72,800	\$5,221,466
Less estimated income	<u>4,353,250</u>		<u>4,353,250</u>
General fund	\$795,416	\$72,800	\$868,216
FTE	37.70	0.00	37.70

¹ Funding for the Division of Independent Study is moved to a separate subdivision of the bill. The House version for the division is reduced by \$400,000 (\$115,285 for salaries, \$4,715 for operating expenses, and \$280,000 for grants) for a federal grant which the department has indicated must continue to be administered by the Department of Public Instruction after authority for the division is moved from the Department of Public Instruction to the Educational Technology Council, as provided in Senate Bill No. 2251.

² The Conference Committee amendment increases the salaries and wages line item by \$72,800 (compared to \$95,500 in the Senate version) to provide additional compensation payments of \$1,750 per year for teachers at the Division of Independent Study.

House Bill No. 1013 - School for the Deaf - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$4,814,058	\$4,814,058	\$74,000	\$4,888,058	\$4,911,183	(\$23,125)
Operating expenses	1,156,267	1,156,267		1,156,267	1,156,267	
Equipment	60,190	60,190		60,190	60,190	
Capital improvements	45,410	45,410		45,410	45,410	
Total all funds	\$6,075,925	\$6,075,925	\$74,000	\$6,149,925	\$6,173,050	(\$23,125)
Less estimated income	<u>1,095,624</u>	<u>1,095,624</u>		<u>1,095,624</u>	<u>1,095,624</u>	
General fund	\$4,980,301	\$4,980,301	\$74,000	\$5,054,301	\$5,077,426	(\$23,125)
FTE	53.10	53.10	0.00	53.10	53.10	0.00

Dept. 252 - School for the Deaf - Detail of Conference Committee Changes

	ADD FUNDING FOR TEACHER COMPENSATION PAYMENTS ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$74,000	\$74,000
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$74,000	\$74,000
Less estimated income		
General fund	\$74,000	\$74,000
FTE	0.00	0.00

¹ The Conference Committee amendment increases the salaries and wages line item by \$74,000 (compared to \$97,125 in the Senate version) to provide additional compensation payments for teachers at the School for the Deaf.

House Bill No. 1013 - School for the Blind - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$2,594,638	\$2,668,958	\$56,200	\$2,725,158	\$2,742,721	(\$17,563)
Operating expenses	652,238	652,238	10,000	662,238	662,238	
Equipment	60,000	60,000		60,000	60,000	
Capital improvements	25,416	25,416		25,416	25,416	
Total all funds	\$3,332,292	\$3,406,612	\$66,200	\$3,472,812	\$3,490,375	(\$17,563)
Less estimated income	<u>1,283,501</u>	<u>1,357,821</u>		<u>1,357,821</u>	<u>1,357,821</u>	
General fund	\$2,048,791	\$2,048,791	\$66,200	\$2,114,991	\$2,132,554	(\$17,563)
FTE	28.00	29.00	0.00	29.00	29.00	0.00

Dept. 253 - School for the Blind - Detail of Conference Committee Changes

	ADD FUNDING FOR TEACHER COMPENSATION PAYMENTS ¹	ADD OPERATING EXPENSES FOR NEW FTE AND OTHER COSTS ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$56,200		\$56,200
Operating expenses		\$10,000	10,000
Equipment			
Capital improvements			
Total all funds	\$56,200	\$10,000	\$66,200
Less estimated income			
General fund	\$56,200	\$10,000	\$66,200
FTE	0.00	0.00	0.00

¹ The Senate amendment increases the salaries and wages line item by \$56,200 (compared to \$73,763 in the Senate version) to provide additional compensation payments for teachers at the School for the Blind.

² The House added a new training officer II position. The Senate amendment adds \$10,000 for operating expenses relating to the position and for other costs incurred by the agency.

This amendment changes Section 7 of the engrossed bill, which limits the number of FTE positions to be included in the department's 2003-05 biennium base budget request, to reflect the removal of the FTE positions relating to the Division of Independent Study and other FTE changes. The base budget request for the 2003-05 biennium will be limited to 94.25 FTE, one less than the Conference Committee version for the 2001-03 biennium.

This amendment also adds new sections as follows:

- Section 4 directs the Department of Public Instruction to use \$20,000 of the amount appropriated for operating expenses to fund the Red River Valley writing project. The Schafer and Hoeven executive recommendations and the House version included \$10,000 for this project. The Senate amendment directs the department to spend an additional \$10,000 for this project but does not provide additional funding.
- Section 5 directs the department to spend \$1,217,928 of the amount appropriated for operating expenses to develop and administer student tests aligned with the state content standards and to report the results of the tests.
- Section 6 provides that, in addition to other salary increases appropriated by the Legislative Assembly, teachers at the Division of Independent Study, the School for the Blind, and the School for the Deaf will be provided salary increases of \$1,000 for the first year of the biennium and an additional \$2,000 for the second year of the biennium (total of \$4,000 per teacher for the biennium). The Senate version provided a total of \$5,250 per teacher for the biennium. The amounts included in the salaries and wages line items for the respective agencies are:

Division of Independent Study - \$72,800
School for the Deaf - \$74,000
School for the Blind - \$56,200

- Sections 15 and 17 increase the reimbursement rate from 25 cents to 35 cents per mile for in-city busing for schoolbuses with a capacity of 10 or more students.
- Section 18, which appropriates \$13,000 from the general fund to the State Board for Vocational and Technical Education for grants.

Engrossed HB 1013 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed HB 1013 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1013, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1013: A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the division of independent study, the school for the deaf, the school for the blind, the state library, and the state board for vocational and technical education; to provide statements of legislative intent; and to amend and reenact subsection 1 of section 15-40.1-16 or in the alternative to amend and reenact subsection 1 of section 15.1-27-26, and section 15.1-02-02 of the North Dakota Century Code, relating to transportation payments and the salary of the superintendent of public instruction.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Christmann; Cook; Dever; Erbele; Espgard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroepflin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Tallackson; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

ABSENT AND NOT VOTING: Andrist; Bowman

Engrossed HB 1013, as amended, passed and the title was agreed to.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1013.

MOTION

SEN. G. NELSON MOVED that the Senate stand in recess until called by the chair, which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2003.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has not adopted the conference committee report SB 2016 and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

SB 2016: Reps. Delzer; Svedjan; Warner

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. NETHING MOVED that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on Engrossed SB 2016, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on Engrossed SB 2016: Sens. Nething, Kringstad, Robinson.

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

SB 2016: Sens. Nething; Kringstad; Robinson

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2003, SB 2159.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 29, 2001: SB 2003, SB 2159.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess pending a call by the chair, which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1013.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1013.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

REPORT OF CONFERENCE COMMITTEE

HB 1015, as engrossed: Your conference committee (Sens. Nething, G. Nelson, Krauter and Reps. Timm, Belter, Boucher) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1317-1319, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1317-1319 of the House Journal and pages 1171-1174 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide other appropriations"

Page 1, line 5, replace "relating to state employee compensation adjustments; to provide for a reduction in fire" with "; to provide a conditional exemption for certain state property from special assessments for flood control; to provide for additional lodging reimbursement for members of the legislative assembly; to provide levee protection funding authority; to provide for forgiveness of the Fargo family healthcare center debt; to provide for a legislative council study; to create and enact a new section to chapter 15-10, a new section to chapter 54-44.1, and a new section to chapter 65-04 of the North Dakota Century Code, relating to local fund sources for capital construction projects, new building construction cost-benefit analyses, and a state entities workers' compensation account; to amend and reenact section 6-08.3-13, subsection 3 of section 50-01.2-03.2, section 54-16-01, and section 54-23.2-09 of the North Dakota Century Code, relating to interstate banking, county reimbursements, membership of the emergency commission, and provision of 911 services by the state radio communications division; to repeal section 18 of chapter 37 of the 1995 Session Laws and section 12 of chapter 15 of the 1997 Session Laws, relating to the provision of 911 services by the state radio communications division; to provide an expiration date; and to declare an emergency."

Page 1, remove lines 6 and 7

Page 1, line 17, replace "14,057,270" with "12,018,846"

Page 1, line 18, replace "12,330,726" with "9,696,346"

Page 1, line 19, replace "239,500" with "171,000"

Page 1, line 21, replace "34,692,934" with "274,000"

Page 1, line 22, replace "5,400,000" with "5,000,000"

Page 1, line 23, replace "68,041,050" with "28,480,812"

Page 2, line 1, replace "47,747,445" with "9,592,120"

Page 2, line 2, replace "20,293,605" with "18,888,692"

Page 2, line 6, replace "2,270,810" with "1,870,810"

Page 2, line 8, replace "5,240,184" with "4,840,184"

Page 2, line 9, replace "924,432" with "524,432"

Page 2, line 11, replace "24,609,357" with "23,329,444"

Page 2, line 12, replace "48,671,877" with "10,116,552"

Page 2, line 13, replace "73,281,234" with "33,445,996"

Page 2, after line 13, insert:

"SECTION 2. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$125,000, or so much of the sum as may be necessary, to the department of human services for the purpose of reimbursing counties with economic assistance administrative costs in excess of the statewide average, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 4, replace lines 1 through 9 with:

"Agency salaries and wages appropriations are increased in total by approximately two percent for the 2001-03 biennium relating to increased health insurance benefit costs."

Page 4, line 13, replace "600,000" with "500,000"

Page 4, line 29, replace "\$2,700,000" with "\$2,000,000"

Page 5, line 6, replace "\$50,000,000" with "\$60,000,000"

Page 5, line 12, replace "\$100,000,000" with "\$140,000,000"

Page 5, line 25, replace "\$100,000,000" with "\$140,000,000"

Page 5, replace lines 26 through 30 with:

"SECTION 13. STUDENT LOAN TRUST TRANSFER TO STATE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury, the sum of \$9,000,000 from the North Dakota student loan trust. The moneys must be transferred in such amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2001, and ending June 30, 2003, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses."

Page 6, remove lines 1 through 20

Page 7, after line 4, insert:

"SECTION 15. LEGISLATIVE INTENT - STATEWIDE RADIO SYSTEM ENGINEERING PLAN. It is the intent of the legislative assembly that state radio communications may request a transfer of \$100,000 from the state contingency appropriation of the emergency commission for matching funds from federal or other sources for developing a statewide radio system engineering plan during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 16. TRANSFER OF STATE CONTINGENCY APPROPRIATION. Notwithstanding sections 54-16-04 and 54-16-09, the office of management and budget is authorized to transfer \$160,000 from the state contingency appropriation of the emergency commission to the emergency fund of the office of the adjutant general during the time period beginning with the effective date of this Act and ending on June 30, 2001.

SECTION 17. City flood control special assessment exemption for state property. Notwithstanding any other provision of law, property of the state in a city subject to this section is exempt from special assessments levied for flood control purposes. Upon request by the governing body of the city, the exemption under this section may be completely or partially waived by majority vote of the budget section of the legislative council. A city is subject to the exemption under this section in recognition of state financial assistance for flood control provided to the city pursuant to section 61-02.1-01 or other appropriation or commitment of state funds.

SECTION 18. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2001 - LEGISLATIVE ASSEMBLY. Notwithstanding the \$650 per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the fifty-seventh legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the fifty-seventh legislative assembly is in session during the month of April 2001.

SECTION 19. LEVEE PROTECTION FUNDING AUTHORITY. The state water commission may use up to \$5,000,000 from the resources trust fund and from bond proceeds to provide a cost share for constructing and improving levees at Devils Lake during the biennium beginning July 1, 2001, and ending June 30, 2003. This authority is for the nonfederal cost share of any Devils Lake levee construction or improvement project, however, this authority exists only if no other funds, whether from state, federal, or local sources, may be used by the state water commission to satisfy the project's nonfederal cost share. If bonds are issued, the state water commission may use an amount over \$5,000,000 necessary to cover the cost of issuing the bonds. To the extent money is used under this section, the \$20,000,000 cap in subsection 1 of section 14 of House Bill No. 1023, and the \$67,800,000 cap in section 16 of House Bill No. 1023 is increased by the amount used. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this section.

SECTION 20. LEGISLATIVE INTENT - ELIMINATION OF CERTAIN DEPUTY POSITIONS IN 2003-05 BIENNIUM. It is the intent of the legislative assembly that the

appropriations measures submitted to the fifty-eighth legislative assembly do not include funding for the positions of deputies in any agency with fewer than thirty full-time equivalent positions for the 2003-05 biennium. It is the intent of the legislative assembly that the governor, when submitting the budget for the 2003-05 biennium, include legislation to amend North Dakota Century Code section 44-03-01 and any other appropriate statutory provisions to eliminate the authority to appoint a deputy for any state officer whose office has fewer than thirty full-time equivalent positions authorized for the 2003-05 biennium.

SECTION 21. FORGIVENESS OF FARGO FAMILY HEALTHCARE CENTER DEBT - BUDGET SECTION APPROVAL. The university of North Dakota school of medicine and health sciences shall forgive the amount of debt owed by the Fargo family healthcare center in an amount not to exceed \$395,000 upon adoption by the family healthcare center of a plan to address sustainability of programs and services at the family healthcare center, approval of the plan by the budget section of the legislative council, adoption by the city of Fargo of a plan to provide support to the family healthcare center, and forgiveness by the city of Fargo of at least \$100,000 in family healthcare center debt relating to rental expenses and approval by the budget section. The family healthcare center plan to address sustainability of programs and services must include information regarding immediate steps taken to reduce expenses, implementation of consultants' recommendations concerning internal operations and family healthcare center board functions, the center's role in the community including the identification of community support, core services, noncritical services to be reduced, and enhanced fundraising capacity and organizational capacity. The plan must be presented to and approved by the budget section before the budget section considers approval of the debt writeoff.

SECTION 22. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying during the 2001-02 interim health insurance company benefit limitations, including maximum payments or reimbursements for prescribed medicines and treatments and the effect of limiting benefit payments or reimbursements on consumers, family members, and individuals with incurable illnesses. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 23. AMENDMENT. Section 6-08.3-13 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6-08.3-13. Interstate banking authorization. This chapter specifically authorizes, in accordance with section 3 of the Bank Holding Company Act of 1956 [12 U.S.C. 1842], and section 101 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 [Pub. L. 103-328; 108 Stat. 2338; 12 U.S.C. 1811 et seq.], interstate banking in this state. However, to the extent a state imposes a restriction on the ability of a North Dakota bank holding company to acquire a bank in that state and the restriction is based on the length of time either bank has existed, that restriction must apply to any acquisition of a North Dakota bank by a bank holding company located in that state but does not apply to any bank established in this state on July 31, 1997.

SECTION 24. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Capital construction projects - Local fund sources - Local matching funds - Report to budget section. If any institution under the control of the state board of higher education undertakes a capital construction project, including any renovation or expansion, with the approval of the legislative assembly, all local funds to be used for the project must be derived from sources that have been presented to and approved by the legislative assembly or the budget section pursuant to section 15-10-12.1. The source of any local matching funds required for state-funded or bonded projects must be funds raised and designated for the project and may not include funding from the state general fund, state and federal grant and contract funds, tuition or fees, endowment or investment income, institutional sales and services income including indirect and administrative costs, or transfers or loans from other institutions' funds or agency funds unless the institution has received prior approval from the legislative assembly or from the budget section pursuant to section 15-10-12.1. Each institution undertaking a capital construction project that was approved by the legislative assembly and for which local funds are to be used shall present a biennial report to the budget section of the legislative council detailing the source of all funds used in the capital construction project including local funds. This section applies to projects approved after July 1, 2001.

SECTION 25. AMENDMENT. Subsection 3 of section 50-01.2-03.2 of the North Dakota Century Code is amended and reenacted as follows:

3. Notwithstanding any other provisions of law, the department shall reimburse county social service boards for expenses of locally administered economic assistance programs in 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~~ ninety 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; and
 - 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.~~

SECTION 26. AMENDMENT. Section 54-16-01 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-01. Emergency commission - Members - Organization - Quorum - Meetings. The emergency commission consists of the governor, the chairman of the legislative council, the secretary of state, and the chairmen of the senate and house of representatives appropriations committees. If the chairman of an appropriations committee ceases to be a member of the legislative assembly, the vice chairman of that committee succeeds to that position on the commission. An appropriations committee vice chairman may serve in the place of the appropriations committee chairman as a member of the commission at the request of the appropriate appropriations committee chairman, if the appropriations committee chairman is unable to attend a commission meeting. The vice chairman of the legislative council may serve as a member of the commission in the place of the chairman of the legislative council at the request of the chairman of the legislative council if that individual is serving on the commission in another capacity or is unable to attend a commission meeting. Four members of the commission constitute a quorum. The governor is the chairman and the secretary of state is the secretary of the commission. The commission shall meet at the call of the chairman.

SECTION 27. AMENDMENT. Section 54-23.2-09 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-23.2-09. Mobile data terminal and 911 service fees. State radio communications shall establish and charge fees to provide mobile data terminal service to interested local law enforcement agencies. The fees must be based on actual costs incurred by state radio communications for providing the service.

State radio communications may provide 911 services to a political subdivision with a population of fewer than twenty thousand and shall charge at least twenty cents per telephone access line and wireless access line for 911 services provided to political subdivisions. Each county currently receiving 911 services from state radio communications shall abide by the standards established by ~~the governor's emergency services advisory committee law.~~

SECTION 28. A new section to chapter 54-44.1 of the North Dakota Century Code is created and enacted as follows:

Office of the budget and information technology department - New building construction cost-benefit analyses. The office of the budget shall complete a cost-benefit analysis for each new building construction project included in budget requests submitted by state agencies, departments, and institutions. The analysis must review options for co-locating with other state agencies, departments, or institutions and consider information on related technology costs and savings. The office of the budget shall obtain the assistance of the information technology department, and that department shall review the technology costs and savings involved in the proposed building and provide the analysis to the office of the budget. The office of the budget shall report on the cost-benefit analyses for building projects included in the governor's budget recommendation to the legislative assembly at the same time as the governor's budget and revenue proposals are presented.

SECTION 29. A new section to chapter 65-04 of the North Dakota Century Code is created and enacted as follows:

State entities account - Continuing appropriation - Report to budget section.

1. The bureau shall establish a single workers' compensation account for state entities covered by chapter 32-12.2. The bureau shall use the combined payroll, premium, and loss history of selected agencies to determine future experience rates, dividends, assessments, and premiums. Classifications and premium rates must be based on the hazards and risks of the different occupations covered by this account. The payroll reporting period for this account is for a fiscal year of July first through June thirtieth. The office of management and budget shall furnish combined payroll information to the bureau in a format prescribed by the bureau.
2. Workers' compensation premiums from state entities covered by chapter 32-12.2 must be deposited in the risk management workers' compensation fund. The state investment board shall invest this fund in accordance with chapter 21-10. Funds received as contributions from state entities, all other payments deposited in this fund, and interest and income received on investments are appropriated on a continuing basis for the purposes of this fund. The purposes of this fund are to pay workers' compensation premiums for state agencies and to pay workers' compensation claims costs not covered by the deductible contract. The risk management division of the office of management and budget shall administer this fund. Section 54-44.1-11 does not apply to this fund.
3. A state entity covered by chapter 32-12.2 shall participate in the risk management workers' compensation program unless exempted by the director of the office of management and budget.
4. The risk management division of the office of management and budget shall administer the account's internal workers' compensation return-to-work program. Every state entity is required to participate in the return-to-work program. The program may include assigning employees to agencies other than the agency for which the employee worked on the date of the injury.
5. The office of management and budget may adopt rules to administer the risk management workers' compensation program. The workers' compensation bureau and the risk management division of the office of management and budget periodically shall report to the budget section of the legislative council on the success of this program.

SECTION 30. REPEAL. Section 18 of chapter 37 of the 1995 Session Laws and section 12 of chapter 15 of the 1997 Session Laws are repealed.

SECTION 31. EXPIRATION DATE. Sections 19 and 29 of this Act are effective through June 30, 2003, and after that date are ineffective.

SECTION 32. EMERGENCY. Sections 16 and 18 of this Act are declared to be an emergency measure."

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$68,122,987	\$68,041,050	(\$39,560,238)	\$28,480,812	\$28,330,812	\$150,000
Less estimated income	47,747,445	47,747,445	(38,155,325)	9,592,120	9,442,120	150,000
General fund	\$20,375,542	\$20,293,605	(\$1,404,913)	\$18,888,692	\$18,888,692	\$0
State Radio Communications						
Total all funds	\$5,240,184	\$5,240,184	(\$400,000)	\$4,840,184	\$5,240,184	(\$400,000)
Less estimated income	524,432	924,432	(400,000)	524,432	924,432	(400,000)
General fund	\$4,715,752	\$4,315,752	\$0	\$4,315,752	\$4,315,752	\$0
Bill Total						
Total all funds	\$73,363,171	\$73,281,234	(\$39,960,238)	\$33,320,996	\$33,570,996	(\$250,000)
Less estimated income	48,271,877	48,671,877	(38,555,325)	10,116,552	10,366,552	(250,000)
General fund	\$25,091,294	\$24,609,357	(\$1,404,913)	\$23,204,444	\$23,204,444	\$0

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$14,157,807	\$14,057,270	(\$2,038,424)	\$12,018,846	\$11,918,846	\$100,000
Operating expenses	12,307,126	12,330,726	(2,634,380)	9,696,346	9,651,346	45,000
Equipment	244,500	239,500	(68,500)	171,000	166,000	5,000
Capital improvements	1,320,620	1,320,620		1,320,620	1,320,620	
Grants	34,692,934	34,692,934	(34,418,934)	274,000	274,000	
Statewide compensation plan	5,400,000	5,400,000	(400,000)	5,000,000	5,000,000	
Total all funds	\$68,122,987	\$68,041,050	(\$39,560,238)	\$28,480,812	\$28,330,812	\$150,000
Less estimated income	47,747,445	47,747,445	(38,155,325)	9,592,120	9,442,120	150,000
General fund	\$20,375,542	\$20,293,605	(\$1,404,913)	\$18,888,692	\$18,888,692	\$0
FTE	153.00	152.00	(20.00)	132.00	131.00	1.00

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

	DECREASE FUNDING FOR STATE CONTINGENCY 1	DECREASE FUNDING FOR PREPLANNING REVOLVING FUND 2	DECREASE FUNDING FOR THE STATEWIDE COMPENSATION PLAN 3	REMOVE FUNDING FOR THE DIVISION OF COMMUNITY SERVICES 4	PROVIDE FUNDING RELATING TO WORKERS' COMPENSATION INITIATIVE 5	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				(\$2,138,424)	\$100,000	(\$2,038,424)
Operating expenses	(\$100,000)			(2,579,380)	45,000	(2,634,380)
Equipment				(73,500)	5,000	(68,500)
Capital improvements						
Grants		(\$112,000)		(34,306,934)		(34,418,934)
Statewide compensation plan			(\$400,000)			(400,000)
Total all funds	(\$100,000)	(\$112,000)	(\$400,000)	(\$39,098,238)	\$150,000	(\$39,560,238)
Less estimated income			(400,000)	(37,905,325)	150,000	(38,155,325)
General fund	(\$100,000)	(\$112,000)	\$0	(\$1,192,913)	\$0	(\$1,404,913)
FTE	0.00	0.00	0.00	(21.00)	1.00	(20.00)

1 This amendment reduces funding for the state contingency fund by \$100,000, from \$600,000, to \$500,000. Funding of \$600,000 was provided for the 1999-2001 biennium.

2 This amendment reduces funding provided for replenishing the preplanning revolving fund by \$112,000, from \$207,000 to \$95,000. The funding provided will result in \$250,000 of total available funds in the preplanning revolving fund, an increase of \$50,000 from the 1999-2001 level.

3 This amendment reduces funding for a statewide salary pool for equity increases for classified state employees by \$400,000, from \$5,400,000 to \$5,000,000, of which \$2,700,000 is from the general fund and \$2,300,000 is from special funds.

4 This amendment removes funding related to the Division of Community Services in order to implement the consolidation of the Department of Economic Development and Finance, the Division of Community Services, and the Tourism Department into a new Department of Commerce as recommended in the Hoeven executive budget and to be provided for in Senate Bill No. 2019.

5 This amendment provides a special fund appropriation of \$150,000 and one FTE position to the Office of Management and Budget for activity involved with the establishment of a single workers' compensation account for state entities to be administered by the Risk Management Division of the Office of Management and Budget. This change was not made by either the House or Senate.

This amendment anticipates that the Office of Management and Budget and the Emergency Commission will not spend \$198,000 of the \$600,000 in funding provided for the 1999-2001 biennium for state contingencies. This will result in additional general fund turnback of \$198,000 at the end of the 1999-2001 biennium which will be reflected in the legislative budget status as an increase to the July 1, 2001, general fund balance. This represents a decrease of \$102,000 from the amount of additional general fund turnback anticipated by the Senate of \$300,000.

House Bill No. 1015 - Radio Communications - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$2,655,238	\$2,655,238		\$2,655,238	\$2,655,238	
Operating expenses	2,270,810	2,270,810	(\$400,000)	1,870,810	2,270,810	(\$400,000)
Equipment	<u>314,136</u>	<u>314,136</u>		<u>314,136</u>	<u>314,136</u>	
Total all funds	\$5,240,184	\$5,240,184	(\$400,000)	\$4,840,184	\$5,240,184	(\$400,000)
Less estimated income	<u>524,432</u>	<u>924,432</u>	<u>(400,000)</u>	<u>524,432</u>	<u>924,432</u>	<u>(400,000)</u>
General fund	\$4,715,752	\$4,315,752	\$0	\$4,315,752	\$4,315,752	\$0
FTE	31.00	31.00	0.00	31.00	31.00	0.00

Dept. 506 - Radio Communications - Detail of Conference Committee Changes

	REMOVE FUNDING FOR STATEWIDE RADIO SYSTEM ENGINEERING PLAN ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses	(\$400,000)	(\$400,000)
Equipment		
Total all funds	(\$400,000)	(\$400,000)
Less estimated income	<u>(400,000)</u>	<u>(400,000)</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ The executive budget for the State Radio Communications Division of the Office of Management and Budget recommended funding of \$400,000 from the general fund for developing a statewide radio system engineering plan. The House amendments to House Bill No. 1015 changed the funding source for the development of a plan from the general fund to special funds collected through a special assessment to fire and tornado fund policyholders. This amendment removes the special funds of \$400,000 provided for developing the plan and Sections 13, 14, 15, and 16 of the engrossed bill relating to a reduction in fire and tornado insurance premiums, a special fire and tornado fund assessment, and the establishment of a statewide radio system planning fund and adds a section of legislative intent that allows the State Radio Communications Division to request a transfer from the Emergency Commission's state contingency appropriation of \$100,000 for matching funds from federal or other sources for the development of a statewide radio system engineering plan.

House Bill No. 1015 - Other Changes - Conference Committee Action

This amendment also includes the following provisions adopted in the Senate amendments to the bill:

- Amend Section 5 and remove Section 6 of the engrossed bill to remove the provision that any agency may provide additional average salary increases of one percent for the second year of the 2001-03 biennium to the extent that the increases can be paid without an increase in the agency's appropriation and to add a statement that agency salaries and wages appropriations in total are increased by approximately two percent for the 2001-03 biennium relating to increased health insurance benefit costs.
- Amend Section 9 of the engrossed bill to reduce the amount of anticipated proceeds to be realized from the sale of loans in the developmental disabilities revolving loan fund by \$700,000, from \$2,700,000 to \$2,000,000. (The fiscal impact resulting from this change was included in the budget status based on the committee motion on March 16, 2001.)
- Amend Sections 11 and 12 of the engrossed bill to increase the amount to be transferred to the state general fund from the Bank of North Dakota by \$10 million, from \$50 million to \$60 million, and to increase the Bank's capital structure limit from \$100 million to \$140 million.
- Add a section to the bill to provide for a transfer to the state general fund from the student loan trust in the amount of \$9 million (Section 12).

- Add a section to the bill to provide a conditional exemption for state property from city special assessments for flood control (Section 17).
- Create a new section to the North Dakota Century Code (NDCC) which requires the Office of Management and Budget, in conjunction with the Information Technology Department, to complete a cost-benefit analysis for each new building construction project requested in state agency budget requests and report on the cost-benefit analyses for those projects included in the Governor's budget to the Legislative Assembly (Section 28).

This amendment also adds the following provisions:

- Section 2 provides a \$125,000 general fund appropriation to the Department of Human Services for the Indian county allocation.
- Section 16 provides a transfer of \$160,000 from the state contingency appropriation of the Emergency Commission to the Adjutant General for expenses relating to 2001 spring flood prevention.
- Section 18 provides that members of the Legislative Assembly may receive additional lodging reimbursement for each calendar day the 2001 Legislative Assembly is in session during the month of April 2001.
- Section 19 authorizes Devils Lake levee protection funding.
- Section 20 provides for the elimination of deputy positions in any agency with fewer than 30 FTE positions in the 2003-05 biennium.
- Section 21 allows the University of North Dakota to forgive the amount of debt owed by the Fargo Family Healthcare Center of \$395,000 with Budget Section approval.
- Section 22 provides for a Legislative Council study of health insurance company benefit limitations.
- Section 23 amends NDCC Section 6-08.3-13 relating to interstate banking.
- Section 24 creates a new section to Chapter 15-10 of the NDCC relating to local fund sources for capital construction projects.
- Section 25 amends NDCC Section 50-01.2-03.2 to provide that funds be allocated at 90 percent of the affected county's administrative expenses for economic assistance programs that are in excess of the statewide average.
- Section 26 amends NDCC Section 54-16-01 relating to the membership of the Emergency Commission.
- Section 27 amends NDCC Section 54-23.2-09 relating to the provision of 911 services by the State Radio Communications Division of the Office of Management and Budget.
- Section 29 creates a new section to Chapter 65-04 of the NDCC relating to the establishment of a state entities workers' compensation account.
- Section 30 repeals Section 18 of Chapter 37 of the 1995 Session Laws and Section 12 of Chapter 15 of the 1997 Session Laws relating to the provision of 911 services by the State Radio Communications Division of the Office of Management and Budget.

Engrossed HB 1015 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. G. NELSON MOVED that the conference committee report on Engrossed HB 1015 be adopted.

REQUEST

SEN. COOK REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Engrossed HB 1015, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed HB 1015, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroepflin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner

ABSENT AND NOT VOTING: Andrist; Bowman; Tallackson; Watne

The conference committee report on Engrossed HB 1015 was adopted.

Engrossed HB 1015, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1015: 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 other appropriations; 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; to provide a conditional exemption for certain state property from special assessments for flood control; to provide for additional lodging reimbursement for members of the legislative assembly; to provide levee protection funding authority; to provide for forgiveness of the Fargo family healthcare center debt; to provide for a legislative council study; to create and enact a new section to chapter 15-10, a new section to chapter 54-44.1, and a new section to chapter 65-04 of the North Dakota Century Code, relating to local fund sources for capital construction projects, new building construction cost-benefit analyses, and a state entities workers' compensation account; to amend and reenact section 6-08.3-13, subsection 3 of section 50-01.2-03.2, section 54-16-01, and section 54-23.2-09 of the North Dakota Century Code, relating to interstate banking, county reimbursements, membership of the emergency commission, and provision of 911 services by the state radio communications division; to repeal section 18 of chapter 37 of the 1995 Session Laws and section 12 of chapter 15 of the 1997 Session Laws, relating to the provision of 911 services by the state radio communications division; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroepflin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner

ABSENT AND NOT VOTING: Andrist; Bowman; Tallackson; Watne

Engrossed HB 1015, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

REPORT OF CONFERENCE COMMITTEE

SB 2016, as engrossed: Your conference committee (Sens. Nething, Kringstad, Robinson and Reps. Svedjan, Delzer, Warner) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1205-1213, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 1205-1213 of the Senate Journal and pages 1293-1301 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, replace the second "and" with "to provide legislative intent;"

Page 1, line 3, after "study" insert "; to create and enact a new section to chapter 54-23.3 of the North Dakota Century Code, relating to the establishment of new programs by the director of the department of corrections and rehabilitation; and to amend and reenact section 12-59-02, subsection 1 of section 12.1-32-08, and subsection 2 of section 54-23.4-12 of the North Dakota Century Code, relating to compensation of parole board members, indigent defense costs and expenses, and crime victims compensation subrogation"

Page 1, line 13, replace "1,281,357" with "1,155,357"

Page 1, line 15, replace "80,850" with "65,750"

Page 1, line 16, replace "1,533,654" with "1,392,554"

Page 1, line 18, replace "1,522,494" with "1,381,394"

Page 1, line 21, replace "10,819,873" with "10,647,498"

Page 1, line 22, replace "5,031,382" with "4,917,407"

Page 1, line 23, replace "217,050" with "148,700"

Page 2, line 2, replace "21,189,929" with "20,835,229"

Page 2, line 3, replace "7,863,275" with "7,825,075"

Page 2, line 4, replace "13,326,654" with "13,010,154"

Page 2, line 8, replace "4,460,612" with "3,863,128"

Page 2, line 9, replace "11,755,705" with "11,353,870"

Page 2, line 10, replace "28,600,319" with "21,514,202"

Page 2, line 11, replace "4,086,082" with "3,778,761"

Page 2, line 12, replace "25,092,023" with "24,977,530"

Page 2, line 13, replace "10,849,840" with "10,842,290"

Page 2, line 14, replace "88,268,147" with "79,753,347"

Page 2, line 15, replace "18,649,184" with "17,296,864"

Page 2, line 16, replace "69,618,963" with "62,456,483"

Page 2, line 17, replace "84,468,111" with "77,048,031"

Page 2, line 18, replace "26,523,619" with "25,133,099"

Page 2, line 19, replace "110,890,730" with "102,181,130"

Page 2, remove lines 23 through 26

Page 3, replace lines 4 through 12 with:

"SECTION 4. DEPARTMENT OF CORRECTIONS AND REHABILITATION - LEGISLATIVE COUNCIL STUDY AND REPORTS. During the 2001-02 interim, the legislative council shall consider studying wages paid to inmates sentenced to the state correctional system and the various deductions from those wages, including methods used to determine rates of pay; actual wages paid to inmates; deductions from inmate wages; and the effect deductions for incarceration costs, facility operation costs, and capital improvement costs have on inmate payments for child support and restitution. The legislative council shall report its findings and recommendations, together with any

legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 5. DEPARTMENT OF CORRECTIONS AND REHABILITATION - FACILITY AND OPERATIONS - LEGISLATIVE COUNCIL STUDY. The legislative council shall study, during the 2001-02 interim, the facilities and operations of the department of corrections and rehabilitation and report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly. The study must include the use of consultant services as determined by the legislative council. The study must include the following:

1. An analysis and evaluation of all facilities currently used by the department of corrections and rehabilitation and all facilities currently used by the state hospital which may at some time be used by the department, including:
 - a. The age, condition, and adequacy of each facility.
 - b. The operational efficiency of each facility, including utility costs and staffing needs.
 - c. Modifications, if any, required to allow the department to meet the various needs of adult offenders.
2. An analysis and evaluation of future facility needs, including:
 - a. The types of facilities needed to serve adult offenders.
 - b. The most appropriate location for the department's various facilities, considering:
 - (1) The operational inefficiencies of maintaining multiple facilities.
 - (2) The administrative benefits of having multiple facilities in which to place offenders.
 - (3) The availability of education, treatment, and work programs for inmates.
3. An analysis and evaluation of the staffing needs of the department, including:
 - a. Current staff utilization and needs at each facility.
 - b. Availability of potential employees in each region in which the department operates or may operate a correctional facility.
4. An analysis and evaluation of the anticipated need for additional prison beds, considering the following:
 - a. The impact of changes in sentencing laws.
 - b. The impact of programs that provide alternatives to conventional incarceration.
 - c. Trends in occurrence and types of crime committed in the state.
 - d. The utilization and availability of existing and proposed county or regional correctional facilities.
 - e. The utilization and availability of existing and proposed private correctional facilities.
5. A cost-benefit analysis of the department's current and proposed programs, considering:
 - a. The effect on recidivism.
 - b. The necessity and effectiveness of providing rehabilitation and treatment services.

- c. The availability of rehabilitation and treatment services which could be provided by entities or agencies other than the department, including regional human service centers.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the legislative council for the biennium beginning July 1, 2001, and ending June 30, 2003, for the purpose of contracting with a consultant to conduct the study as provided in section 5 of this Act.

SECTION 7. FEDERAL FUNDING REDUCTIONS - BUDGET SECTION APPROVAL. If, during the biennium beginning July 1, 2001, and ending June 30, 2003, the federal government reduces funding below the level anticipated by the fifty-seventh legislative assembly for any programs administered by the department of corrections and rehabilitation, the department may not supplant the federal funds with general or special fund moneys without first obtaining the approval of the budget section of the legislative council. The department's budget request for the biennium beginning July 1, 2003, and ending June 30, 2005, must identify any programs for which general or special fund appropriation authority is requested to replace federal funds previously available for the program.

SECTION 8. OPERATION OF "PRERELEASE" AND "DUI OFFENDER TREATMENT" PROGRAMS - REPORT TO THE FIFTY-EIGHTH LEGISLATIVE ASSEMBLY. During the biennium beginning July 1, 2001, and ending June 30, 2003, the department of corrections and rehabilitation shall monitor the operation of the programs known as the "prerelease center" and the "DUI offender treatment center" authorized by the fifty-seventh legislative assembly. The department shall present a report to the appropriations committees of the fifty-eighth legislative assembly regarding the operation of the programs, including the impact of the programs on recidivism rates; the cost-effectiveness of the programs; the success of the programs; the ability to collect fees, if any, from the participating inmates; and a comparison of the costs and benefits of the "prerelease center" and the "DUI offender treatment center" to other forms of treatment or incarceration.

SECTION 9. LEGISLATIVE INTENT - FUNDING FOR DRUG COURT PROGRAM. It is the intent of the fifty-seventh legislative assembly that the department of corrections and rehabilitation seek federal funding to support the drug court program during the biennium beginning July 1, 2001, and ending June 30, 2003. If federal funds do not become available to the department to support the program, special funds derived from other income of the department may be used to fund the program. If federal funds become available during the biennium, the department must use the federal funds, and any required matching funds to be provided from special funds, to fund the program for the remainder of the biennium before funds from any other source are used for this purpose. Special fund moneys not used for the drug court program pursuant to this section must be used in place of general fund moneys appropriated by the fifty-seventh legislative assembly for other programs operated by the department.

SECTION 10. AMENDMENT. Section 12-59-02 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

12-59-02. Meetings - Compensation - Rules. The governor shall appoint a member of the parole board to be chairman. The chairman of the parole board shall designate three members of the parole board for each meeting of the parole board. Meetings of the parole board must be held in accordance with rules established by the parole board and must be held as often as required to properly conduct the business of the board, but in any event not less than six times per year. The parole board may only take action upon the concurrence of at least two members who participated in the same meeting. The final decision of at least two parole board members who participated in the same parole board meeting constitutes the decision of the parole board. Members are entitled to be compensated at the rate of ~~sixty-two~~ ~~seventy-five~~ ~~dollars and fifty cents~~ per day for each day actually and necessarily spent in the performance of their duties as board members plus the same mileage and expenses as are authorized for state officials and employees. The director of the division of parole and probation, or the director's designee, is the clerk for the parole board.

SECTION 11. AMENDMENT. Subsection 1 of section 12.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~Prior to~~ Before imposing restitution or reparation as a sentence or condition of probation, the court shall hold a hearing on the matter with notice to the prosecuting attorney and to the defendant as to the nature and amount thereof. The court, when sentencing a person adjudged guilty of criminal activities ~~which that~~ have resulted in pecuniary damages, in addition to any other sentence it may impose, shall order that the defendant make restitution to the victim or other recipient as determined by the court, unless the court states on the record, based upon the criteria in this subsection, the reason it does not order restitution or orders only partial restitution. In determining whether to order restitution, the court shall take into account:
 - a. The reasonable damages sustained by the victim or victims of the criminal offense, which damages ~~must be~~ are limited to those directly related to the criminal offense and expenses actually incurred as a direct result of the defendant's criminal action. This can include an amount equal to the cost of necessary and related professional services and devices relating to physical, psychiatric, and psychological care. The defendant may be required as part of the sentence imposed by the court to pay the prescribed treatment costs for a victim of a sexual offense as defined in chapters 12.1-20 and 12.1-27.2.
 - b. The ability of the defendant to restore the fruits of the criminal action or to pay monetary reparations, or to otherwise take action to restore the victim's property.
 - c. The likelihood that attaching a condition relating to restitution or reparation will serve a valid rehabilitational purpose in the case of the particular offender considered.

The court shall fix the amount of restitution or reparation, which may not exceed an amount the defendant can or will be able to pay, and shall fix the manner of performance of any condition or conditions of probation established pursuant to this subsection. The court ~~may~~ shall order restitution be paid to the division of ~~parole and probation adult services~~ for any benefits ~~if the division has paid or may pay under chapter 54-23.4 unless the court, on the record, directs otherwise.~~ Any payments made pursuant to ~~such the~~ order must be deducted from damages awarded in a civil action arising from the same incident. An order that a defendant make restitution or reparation as a sentence or condition of probation may, unless the court directs otherwise, be filed, transcribed, and enforced by the person entitled to the restitution or reparation ~~or by the division of adult services~~ in the same manner as civil judgments rendered by the courts of this state may be enforced.

SECTION 12. A new section to chapter 54-23.3 of the North Dakota Century Code is created and enacted as follows:

Reports regarding new programs. Notwithstanding the powers granted under section 54-23.3-04, the director of the department of corrections and rehabilitation may not authorize any new program to serve adult or juvenile offenders, including programs that provide alternatives to conventional incarceration and programs operated on a contract basis, if the program is anticipated to cost in excess of one hundred thousand dollars during the biennium in which the program is implemented or any subsequent biennium without first reporting to the legislative assembly or, if the legislative assembly is not in session, the budget section of the legislative council.

SECTION 13. AMENDMENT. Subsection 2 of section 54-23.4-12 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. ~~Prior to~~ Before bringing an action to recover damages related to criminally injurious conduct for which compensation is claimed or awarded, the claimant shall give the division written notice of the proposed action. If a claimant brings an action for the recovery of damages related to criminally injurious conduct for which compensation is claimed or awarded, the division is subrogated to the rights of the claimant up to the total amount the division has paid. When there has been a recovery of damages, the costs of the action, to be paid by the division from the recovery, exclusive of attorney's fees, must be prorated and adjusted on the percentage of the total subrogation interest of the division recovered to the total recovery. If

there is a recovery, the division shall pay attorney's fees to the claimant's attorney from the recovery in the amount of twenty-five percent of the subrogation interest recovered. For purposes of this section, recovery includes proceeds paid pursuant to a settlement, confession of judgment, or judgment of a court. The division may intervene in the action to recover compensation awarded. The division has a lien on a recovery to the extent it has paid compensation. The division is not liable for costs or attorney's fees when the claimant has not provided the division prior written notice of the commencement of an action. If a claimant does not bring an action for damages within six months from the date the division awarded benefits, the division may bring an action or claim for relief in the division's name and may retain as the division's subrogation interest the full amount the division has paid in compensation and benefits to a claimant. The division may bring an action within two years from the date the division first awarded benefits, notwithstanding any other statute of limitation. This section does not limit the claimant's right to bring an action to recover for other damages."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Legislative Council						
Total all funds	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Less estimated income						
General fund	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Department of Corrections and Rehabilitation - Adult Services						
Total all funds	\$88,268,147	\$88,268,147	(\$8,514,800)	\$79,753,347	\$77,427,001	\$2,326,346
Less estimated income	18,649,184	18,649,184	(1,352,320)	17,296,864	17,296,864	
General fund	\$69,618,963	\$69,618,963	(\$7,162,480)	\$62,456,483	\$60,130,137	\$2,326,346
Department of Corrections and Rehabilitation - Central Office						
Total all funds	\$1,533,542	\$1,533,654	(\$141,100)	\$1,392,554	\$1,285,683	\$106,871
Less estimated income	11,160	11,160		11,160	11,160	
General fund	\$1,522,382	\$1,522,494	(\$141,100)	\$1,381,394	\$1,274,523	\$106,871
Department of Corrections and Rehabilitation - Juvenile Services						
Total all funds	\$21,088,929	\$21,189,929	(\$354,700)	\$20,835,229	\$20,744,409	\$90,820
Less estimated income	7,762,275	7,863,275	(38,200)	7,825,075	7,825,075	
General fund	\$13,326,654	\$13,326,654	(\$316,500)	\$13,010,154	\$12,919,334	\$90,820
Bill Total						
Total all funds	\$110,890,618	\$110,991,730	(\$8,810,600)	\$102,181,130	\$99,457,093	\$2,724,037
Less estimated income	26,422,619	26,523,619	(1,390,520)	25,133,099	25,133,099	
General fund	\$84,467,999	\$84,468,111	(\$7,420,080)	\$77,048,031	\$74,323,994	\$2,724,037

Senate Bill No. 2016 - Department of Corrections and Rehabilitation - Adult Services - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$7,073,227					
Operating expenses	9,222,935					
Equipment	63,102					
Grants	3,280,619					
Victims services		\$3,423,566		\$3,423,566	\$3,415,066	\$8,500
Institutional offender services		4,460,612	(\$597,484)	3,863,128	3,863,128	
Community offender services		11,755,705	(401,835)	11,353,870	11,203,870	150,000
Support services	28,600,319	28,600,319	(7,086,117)	21,514,202	20,905,566	608,636
Program services	4,086,082	4,086,082	(307,321)	3,778,761	3,619,457	159,304
Security and safety	25,092,023	25,092,023	(114,493)	24,977,530	23,577,624	1,399,906
Roughrider Industries	10,849,840	10,849,840	(7,550)	10,842,290	10,842,290	
Total all funds	\$88,268,147	\$88,268,147	(\$8,514,800)	\$79,753,347	\$77,427,001	\$2,326,346
Less estimated income	18,649,184	18,649,184	(1,352,320)	17,296,864	17,296,864	
General fund	\$69,618,963	\$69,618,963	(\$7,162,480)	\$62,456,483	\$60,130,137	\$2,326,346
FTE	508.25	508.25	(23.50)	484.75	456.75	28.00

Dept. 519 - Department of Corrections and Rehabilitation - Adult Services - Detail of Conference Committee Changes

	REDUCE FUNDING FOR DUI OFFENDER TREATMENT PROGRAM 1	REDUCE BUDGETED COMPUTER PRICES 2	REDUCE NUMBER OF NEW DESKTOP COMPUTERS 3	REDUCE FUNDING FOR SMI UNIT 4	REDUCE INSTITUTIONAL OFFENDER SERVICES 5	REDUCE COMMUNITY OFFENDER SERVICES 6
Salaries and wages						
Operating expenses						
Equipment						
Capital improvements						
Grants						
Victims services						
Institutional offender services	(\$539,284)	(\$750)			(\$57,450)	
Community offender services		(11,308)	(\$8,400)			(\$382,127)
Support services		(15,400)	(5,600)	(\$457,942)		
Program services		(3,600)		(201,216)		
Security and safety		(1,800)		(685,203)		
Roughrider Industries		(6,150)	(1,400)			
Total all funds	(\$539,284)	(\$39,008)	(\$15,400)	(\$1,344,361)	(\$57,450)	(\$382,127)
Less estimated income		(10,920)	(1,400)			60,000
General fund	(\$539,284)	(\$28,088)	(\$14,000)	(\$1,344,361)	(\$57,450)	(\$442,127)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)
	REDUCE SUPPORT SERVICES 7	REDUCE SECURITY AND SAFETY 8	REMOVE CAPITAL PROJECTS 9	REMOVE FTE AND OPERATING EXPENSES FOR WOMEN'S UNIT 10	ADD FUNDING FOR CONTRACT INMATE HOUSING 11	TOTAL CONFERENCE COMMITTEE CHANGES

Salaries and wages						
Operating expenses						
Equipment						
Capital improvements						
Grants						
Victims services						
Institutional offender services						(\$597,484)
Community offender services						(401,835)
Support services	(\$489,743)		(\$5,703,000)	(\$414,432)		(7,086,117)
Program services				(102,505)		(307,321)
Security and safety		(\$5,000)		(524,130)	\$1,101,640	(114,493)
Roughrider Industries						(7,550)
Total all funds	(\$489,743)	(\$5,000)	(\$5,703,000)	(\$1,041,067)	\$1,101,640	(\$8,514,800)
Less estimated income			(1,400,000)			(1,352,320)
General fund	(\$489,743)	(\$5,000)	(\$4,303,000)	(\$1,041,067)	\$1,101,640	(\$7,162,480)
FTE	0.00	0.00	0.00	(22.50)	0.00	(23.50)

1 Funding for the DUI offender treatment program, which will be operated on a contract basis with the State Hospital, is reduced from \$2,139,284 to \$1,600,000 to reflect a reduction in administrative cost allocation charged by the State Hospital, the same as the House version.

2 The Senate version for the Adult Services Division included funding for 47 new desktop computers budgeted at various prices ranging from \$1,914 to \$2,300 per computer and six new laptop computers budgeted at various prices ranging from \$2,500 to \$3,500 per computer. This amendment reduces the price per computer to \$1,400 for desktop computers and \$1,750 for laptop computers, the same as the House version.

3 The total number of new desktop computers budgeted to be replaced by the Department of Corrections and Rehabilitation is reduced by approximately 27 percent, from 106 to 77, the same as the House version. The number of budgeted desktop computer purchases is reduced from 47 to 34 for the Adult Services Division, the same as the House version.

4 Funding is provided by the Conference Committee for the proposed seriously mentally ill (SMI) unit only for the last nine months of the biennium as follows:

	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE VERSION
Total general fund	\$2,437,797	\$0	\$1,093,436
FTE	28.00	0.00	28.00

5 The institutional offender services line item is adjusted for the following changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Operating expenses	(\$10,000)		(\$10,000)
Compensation rate increase for Parole Board members from \$62.50 to \$75 per day	2,550		2,550
Total change from Senate version	(\$7,450)	\$0	(\$7,450)

6 The community offender services line item is reduced to reflect the following changes:

	FTE	GENERAL FUND	OTHER FUNDS	TOTAL
Temporary salaries		(\$14,000)		(\$14,000)

Operating expenses		(257,000)		(257,000)
Funding source change (additional supervision fees)		(60,000)	\$60,000	
Remove parole officer II position				
Salaries and wages	(1.00)	(78,755)		(78,755)
Operating expenses		<u>(32,372)</u>		<u>(32,372)</u>
Total reduction relating to new positions	(1.00)	(\$111,127)		(\$111,127)
Total change from Senate version	(1.00)	(\$442,127)	\$60,000	(\$382,127)

Compared to the House version, this amendment restores \$150,000 from the general fund to this line item.

7 The support services line item is reduced to reflect the following changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Temporary salaries	(\$8,000)		(\$8,000)
Medical, dental, and optical expenses	30,000		30,000
Hepatitis B vaccinations and screening and treatment for other contagious diseases	91,375		91,375
Other equipment	(100,000)		(100,000)
Capital improvements - Penitentiary parking lot	(403,118)		(403,118)
Capital improvements - Extraordinary repairs	(100,000)		(100,000)
Total change from Senate version	(\$489,743)	\$0	(\$489,743)

8 The security and safety line item is reduced to reflect a \$5,000 reduction in operating expenses.

9 Funding is removed for the following capital projects:

	GENERAL FUND	OTHER FUNDS	TOTAL
Missouri River Correctional Center - Food service building	(\$1,983,000)		(\$1,983,000)
Women's unit	<u>(2,320,000)</u>	<u>(\$1,400,000)</u>	<u>(3,720,000)</u> ^a
Total change from Senate version	(\$4,303,000)	(\$1,400,000)	(\$5,703,000)

^a Contingent funding of \$3.85 million is added for construction of the women's unit (see footnote 11 below).

¹⁰ Funding is removed for the proposed women's unit as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages	(\$585,457)		(\$585,457)
Operating expenses	(421,815)		(421,815)
Equipment	<u>(33,795)</u>		<u>(33,795)</u>
Total change from Senate version	(\$1,041,067)	\$0	(\$1,041,067)

¹¹ The Senate version included \$2,452,275 for housing inmates at county or out-of-state correctional facilities. This amendment increases that amount to \$3,553,915. The House had increased the Senate version by \$196,105.

Senate Bill No. 2016 - Department of Corrections and Rehabilitation - Central Office - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$1,281,245	\$1,281,357	(\$126,000)	\$1,155,357	\$1,075,871	\$79,486
Operating expenses	171,447	171,447		171,447	152,062	19,385
Equipment	<u>80,850</u>	<u>80,850</u>	<u>(15,100)</u>	<u>65,750</u>	<u>57,750</u>	<u>8,000</u>
Total all funds	\$1,533,542	\$1,533,654	(\$141,100)	\$1,392,554	\$1,285,683	\$106,871
Less estimated income	<u>11,160</u>	<u>11,160</u>		<u>11,160</u>	<u>11,160</u>	
General fund	\$1,522,382	\$1,522,494	(\$141,100)	\$1,381,394	\$1,274,523	\$106,871
FTE	10.00	10.00	0.00	10.00	9.00	1.00

Dept. 530 - Department of Corrections and Rehabilitation - Central Office - Detail of Conference Committee Changes

REDUCE FUNDING FOR TEMPORARY SALARIES	REMOVE FUNDING FOR SALARY EQUITY INCREASES ¹	REDUCE BUDGETED COMPUTER PRICES ²	REMOVE FUNDING FOR COMPUTER SERVER ³
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Salaries and wages	(\$1,000)	(\$125,000)		
Operating expenses				
Equipment			(\$6,300)	(\$6,000)
Total all funds	(\$1,000)	(\$125,000)	(\$6,300)	(\$6,000)
Less estimated income				
General fund	(\$1,000)	(\$125,000)	(\$6,300)	(\$6,000)
FTE	0.00	0.00	0.00	0.00

		REDUCE NUMBER OF NEW DESKTOP COMPUTERS ⁴	TOTAL CONFERENCE COMMITTEE CHANGES	
Salaries and wages			(\$126,000)	
Operating expenses				
Equipment		(\$2,800)	(15,100)	
Total all funds		(\$2,800)	(\$141,100)	
Less estimated income				
General fund		(\$2,800)	(\$141,100)	
FTE		0.00	0.00	

¹ The Senate version included \$125,000 for salary adjustments, in addition to the executive budget compensation package, to address equity and salary compression issues within the department. This amendment removes this funding, the same as the House version.

² The Senate version for the Central Office included funding for nine new desktop computers, budgeted at a cost of \$2,100 per computer. This amendment reduces the budgeted price per computer to \$1,400, the same as the House version.

³ The Senate version for the Central Office included funding to replace three computer servers, one at a price of \$25,000 and two at \$14,000. This amendment removes funding for one of the \$14,000 servers, the same as the House version.

⁴ The total number of desktop computers budgeted to be replaced by the Department of Corrections and Rehabilitation is reduced by approximately 27 percent, from 106 to 77. The number of budgeted desktop computer purchases is reduced from nine to seven for the Central Office.

Compared to the House version, this amendment restores one FTE data processing position and related operating expenses (\$87,871) and other operating expenses (\$11,000).

Senate Bill No. 2016 - Department of Corrections and Rehabilitation - Juvenile Services - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$10,819,873	\$10,819,873	(\$172,375)	\$10,647,498	\$10,647,498	
Operating expenses	4,930,382	5,031,382	(113,975)	4,917,407	4,891,907	\$25,500
Equipment	217,050	217,050	(68,350)	148,700	119,700	29,000
Capital improvements	707,747	707,747		707,747	671,427	36,320
Grants	4,413,877	4,413,877		4,413,877	4,413,877	
Total all funds	\$21,088,929	\$21,189,929	(\$354,700)	\$20,835,229	\$20,744,409	\$90,820
Less estimated income	7,762,275	7,863,275	(38,200)	7,825,075	7,825,075	
General fund	\$13,326,654	\$13,326,654	(\$316,500)	\$13,010,154	\$12,919,334	\$90,820
FTE	120.43	120.43	0.00	120.43	120.43	0.00

Dept. 532 - Department of Corrections and Rehabilitation - Juvenile Services - Detail of Conference Committee

	REDUCE TEMPORARY SALARIES RELATING TO NEW POSITIONS ¹	REDUCE OPERATING EXPENSES ²	REDUCE EQUIPMENT ³	REDUCE FUNDING FOR SUMMER SCHOOL PROGRAM	REDUCE FUNDING FOR TEACHER SALARY INCREASES ⁴	REDUCE BUDGETED COMPUTER PRICES ⁵
Salaries and wages	(\$41,000)			(\$40,000)	(\$91,375)	
Operating expenses		(\$113,975)				
Equipment			(\$5,000)			(\$43,750)
Capital improvements						
Grants						
Total all funds	(\$41,000)	(\$113,975)	(\$5,000)	(\$40,000)	(\$91,375)	(\$43,750)
Less estimated income						(25,600)
General fund	(\$41,000)	(\$113,975)	(\$5,000)	(\$40,000)	(\$91,375)	(\$18,150)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REDUCE NUMBER OF NEW DESKTOP COMPUTERS ⁶	TOTAL CONFERENCE COMMITTEE CHANGES
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Salaries and wages		(\$172,375)
Operating expenses		(113,975)
Equipment	(\$19,600)	(68,350)
Capital improvements		
Grants		
Total all funds	(\$19,600)	(\$354,700)
Less estimated income	(12,600)	(38,200)
General fund	(\$7,000)	(\$316,500)
FTE	0.00	0.00

¹ The Senate version included one FTE security officer I for the Youth Correctional Center and one FTE administrative assistant I for the Juvenile Community Services Division. This amendment reduces the salaries and wages line item by \$41,000 (\$12,000 for Juvenile Community Services and \$29,000 for the Youth Correctional Center) to reflect an anticipated reduction in the need for temporary employees as a result of the new positions, the same as the House version.

² The Juvenile Services Division operating expenses line item is reduced to reflect the following changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Juvenile Community Services (JCS) Division - Various reductions	(\$55,000)		(\$55,000)
JCS Division - Juvenile transportation costs (SB 2220 with House amendments)	(41,475)		(41,475)
YCC - Administration	(7,500)		(7,500)
YCC - Education	(10,000)		(10,000)
Total change from Senate version	(\$113,975)	\$0	(\$113,975)

The House had reduced these items by \$139,475.

³ This amendment reduces the amount appropriated to the Youth Correctional Center for "other" equipment from \$54,729 to \$49,729. The House had reduced this by \$34,000.

⁴ The Senate version for the Juvenile Services Division included \$291,375 for salary adjustments, in addition to the executive budget compensation package, to increase teacher salaries pursuant to a composite salary schedule developed by the Central Personnel Division. This amendment reduces this amount to \$200,000, the same as the House version.

⁵ The Senate version for the Juvenile Services Division included funding for the purchase of 50 new desktop computers and three new laptop computers, budgeted at a price of \$2,200 per desktop and \$3,000 per laptop. This amendment reduces the budgeted prices to \$1,400 per desktop and \$1,750 per laptop, the same as the House version.

⁶ The total number of desktop computers budgeted to be replaced by the Department of Corrections and Rehabilitation is reduced by approximately 27 percent, from 106 to 77, the same as the House version. The number of budgeted desktop computer purchases is reduced from 50 to 36 for the Juvenile Services Division, the same as the House version.

This amendment does not reduce funding for heating plant improvements at the Youth Correctional Center. The House version had reduced this item by \$36,320 from the general fund.

This amendment removes the following sections included in the House amendment:

- The section which provided that any moneys budgeted by the Youth Correctional Center for teacher contracts for the summer education program but not spent for that purpose must be returned to the general fund at the end of the 2001-03 biennium.
- The section which authorized the department to transfer funds between the subdivisions and program line items included in the bill for the purpose of providing for computer purchases.
- The section which provided that any moneys budgeted for the operation of the prerelease center but not spent for that purpose may not be used for any other purpose except contracting for inmate housing.

This amendment also adds the following sections:

- Section 4, which directs the Legislative Council to consider studying issues relating to inmate wages and various deductions from those wages.
- Section 5, which directs the Legislative Council to consider studying the facility needs of the Department of Corrections and Rehabilitation.
- Section 6, which provides an appropriation of \$200,000 to the Legislative Council for a study.

- Section 7, which provides that if federal funding is reduced during the 2001-03 biennium, the department may not supplant the federal funds with general or special funds. The department must also identify any programs included in its 2003-05 biennium budget request for which general or special fund appropriation authority is requested to replace federal funds previously available for the program.
- Section 8, which directs the department to report to the Appropriations Committees of the Fifty-eighth Legislative Assembly on the effectiveness of the prerelease and DUI offender treatment programs.
- Section 9, which provides legislative intent that the department seek federal funding for the drug court program. If federal funds become available, the department must spend the federal funds in place of the special funds appropriated for the program; the special funds appropriation for the program must then be used in place of general fund moneys appropriated for other programs.
- Section 10, which amends North Dakota Century Code (NDCC) Section 12-59-02 to increase the compensation rate for Parole Board members from \$62.50 per day to \$75 per day.
- Section 12, which creates a new section to NDCC Chapter 54-23.3 to require the department to report to the Legislative Assembly or the Budget Section before establishing any new correctional program.
- Sections 11 and 13, which amend NDCC Sections 12.1-32-08 and 54-23.4-12 to provide that if crime victims compensation is awarded, the department has the right of subrogation to initiate a claim for relief to recover funds from a collateral source.

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ROBINSON MOVED that the conference committee report on SB 2016 be adopted, which motion prevailed on a voice vote.

SB 2016, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2016: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide for line item transfers; to provide legislative intent; to provide for a legislative council study; to create and enact a new section to chapter 54-23.3 of the North Dakota Century Code, relating to the establishment of new programs by the director of the department of corrections and rehabilitation; and to amend and reenact section 12-59-02, subsection 1 of section 12.1-32-08, and subsection 2 of section 54-23.4-12 of the North Dakota Century Code, relating to compensation of parole board members, indigent defense costs and expenses, and crime victims compensation subrogation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Bercier; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroeplin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner

ABSENT AND NOT VOTING: Andrist; Bowman; Tallackson; Watne

Reengrossed SB 2016 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2016.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2016.

MOTION

SEN. G. NELSON MOVED that the employees of the Senate have worked many hours of uncompensated overtime in the past several days, and in recognition of the uncompensated overtime, the employees of the Senate who have worked past midnight on April 28 be compensated for Sunday, April 29, which motion prevailed.

MOTION

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

THE PRESIDENT APPOINTED as such committee: Sens. Grindberg, Stenehjem, and C. Nelson.

MOTION

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

THE PRESIDENT APPOINTED as such committee: Sens. Freborg, Klein, and T. Mathern.

REQUEST

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

REQUEST

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

MOTION

SEN. G. NELSON MOVED that the absent members be excused, which motion prevailed.

MOTION

SEN. G. NELSON MOVED that the Senate be on the Fourth, Twelfth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate adjourn sine die, which motion prevailed.

Pursuant to Senator G. Nelson's motion, the Senate adjourned sine die.