

JOURNAL OF THE HOUSE

Fifty-eighth Legislative Assembly

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Bismarck, April 8, 2003

The House convened at 8:15 a.m., with Speaker Wentz presiding.

The prayer was offered by Rev. Aaron Arthaund, Church of Christ, Bismarck.

The roll was called and all members were present except Representatives Froelich and Nicholas.

A quorum was declared by the Speaker.

CORRECTION AND REVISION OF THE JOURNAL

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

Page 1271, after line 50 insert the following: The motion was made to return SB 2253 to the House Floor from the Appropriations Committee, which motion prevailed.

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

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 7, 2003, I have signed the following: HB 1060, HB 1066, HB 1087, HB 1161, HB 1213, HB 1271, HB 1301, HB 1325, HB 1330, HB 1352, HB 1353, HB 1358, HB 1371, HB 1399, HB 1404, HB 1420, HB 1424, and HB 1478.

SIXTH ORDER OF BUSINESS

REP. BERG MOVED that the amendments on the Sixth order of business to SB 2335 and SB 2416 be adopted, which motion prevailed.

SB 2335 and SB 2416, as amended, were placed on the Fourteenth order of business on the calendar.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. MARTINSON MOVED that the House do not concur in the Senate amendments to HB 1009 as printed on HJ page 1321 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1009: Reps. Martinson, Monson, Aarsvold.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointments to a new Conference Committee on SB 2030: Reps. Monson, Rennerfeldt, Gulleson.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. KRETSCHMAR MOVED that the House do not concur in the Senate amendments to HCR 3005 as printed on HJ pages 1292-1293 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HCR 3005: Reps. Maragos, Kretschmar, Winrich.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do concur in the Senate amendments to HB 1014 as printed on HJ pages 1277-1278, which motion prevailed on a voice vote.

HB 1014, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1014: A BILL for an Act to provide an appropriation for defraying the expenses of the children's services coordinating committee; to provide for a report to the legislative council; to amend and reenact sections 54-56-06 and 54-56-07 of the North Dakota Century Code, relating to funds of the children's services coordinating committee; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Dosch; Drovdal; Eckre; Ekstrom; Froseth; Galvin; Glassheim; Grande; Grosz; Gullerson; Haas; Hanson; Hawken; Headland; Herbel; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Norland; Nottestad; Onstad; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Tieman; Timm; Uglem; Wald; Warner; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Williams; Winrich; Wrangham; Zaiser; Speaker Wentz

ABSENT AND NOT VOTING: Froelich

Engrossed HB 1014, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

MOTION

REP. BERG MOVED that the House stand in recess until 12:30 p.m., which motion prevailed.

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

SEVENTH ORDER OF BUSINESS**MOTION**

REP. METCALF MOVED that the report of the Minority as printed on HJ pages 1332-1341 be substituted for the report of the Majority on SB 2012.

REQUEST

REP. KROEBER REQUESTED a recorded roll call vote on the motion that the report of the Minority be substituted for the report of the Majority on SB 2012, which request was granted.

ROLL CALL

The question being on the motion that the report of the Minority be substituted for the report of the Majority on SB 2012, the roll was called and there were 35 YEAS, 57 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Boe; Boucher; Delmore; Eckre; Ekstrom; Froelich; Glassheim; Gullerson; Hanson; Hawken; Herbel; Hunskor; Keiser; Kelsh, S.; Kerzman; Kretschmar; Kroeber; Maragos; Metcalf; Mueller; Niemeier; Nottestad; Onstad; Potter; Sandvig; Schmidt; Solberg; Thorpe; Warner; Williams; Winrich; Zaiser; Speaker Wentz

NAYS: Bellew; Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delzer; Devlin; Dosch; Drovdal; Froseth; Galvin; Grande; Grosz; Haas; Headland; Iverson; Johnson, D.; Kasper; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Martinson; Meier; Monson; Nelson; Norland; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Wrangham

ABSENT AND NOT VOTING: Johnson, N.; Nicholas

The motion that the report of the Minority be substituted for the report of the Majority on SB 2012 failed, therefore, the report of the Majority was adopted.

SECOND READING OF SENATE BILL

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

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 64 YEAS, 28 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Bernstein; Boehning; Brusegaard; Carlisle; Carlson; Clark; DeKrey; Delzer; Devlin; Dosch; Drovdal; Froseth; Galvin; Grande; Grosz; Haas; Hawken; Headland; Herbel; Iverson; Johnson, D.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppelman; Kreidt; Kretschmar; Maragos; Martinson; Meier; Monson; Nelson; Norland; Nottestad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Severson; Sitte; Skarphol; Svedjan; Thoreson; Tieman; Timm; Uglem; Wald; Warnke; Weiler; Weisz; Wieland; Wikenheiser; Wrangham; Speaker Wentz

NAYS: Aarsvold; Amerman; Boe; Boucher; Delmore; Eckre; Ekstrom; Froelich; Glassheim; Gulleeson; Hanson; Hunskor; Kelsh, S.; Kerzman; Kroeber; Metcalf; Mueller; Niemeier; Onstad; Potter; Sandvig; Schmidt; Solberg; Thorpe; Warner; Williams; Winrich; Zaiser

ABSENT AND NOT VOTING: Johnson, N.; Nicholas

Engrossed SB 2012, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1009 and HCR 3005. Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1009: Reps. Martinson; Monson; Aarsvold

HCR3005: Reps. Maragos; Kretschmar; Winrich

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

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

SB 2030: Reps. Monson; Rennerfeldt; Gulleeson

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2012.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1068, HB 1166, HB 1180, HB 1212, HB 1298, HB 1363, HB 1430, and HB 1471.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1492, HCR 3024, HCR 3027, HCR 3040, HCR 3041, HCR 3053, and HCR 3061.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently failed to pass: HB 1451.

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

MR. PRESIDENT: The Speaker has signed: SB 2099, SB 2222, SB 2253, SB 2259, SB 2302, SB 2319, SB 2320, SB 2323, SB 2330, SB 2339, SB 2340, SB 2346, SB 2348, SB 2350, SB 2360, SB 2385, SB 2405, SB 2420.

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

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1068, HB 1166, HB 1180, HB 1212, HB 1298, HB 1363, HB 1430, HB 1471, HB 1492, HCR 3024, HCR 3040, HCR 3041, HCR 3053, HCR 3061.

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

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

HB 1018: Sens. Andrist; Traynor; Lindaas

HB 1020: Sens. Thane; Grindberg; Lindaas

HB 1425: Sens. Brown; Erbele; Fairfield

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2001, SB 2002, SB 2003, SB 2004, SB 2005, SB 2006, SB 2007, and SB 2008 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2001: Sens. Kilzer; Thane; Tallackson

SB 2002: Sens. Andrist; Kilzer; Tallackson

SB 2003: Sens. Kringstad; Holmberg; Mathern

SB 2004: Sens. Christmann; Andrist; Lindaas

SB 2005: Sens. Bowman; Schobinger; Mathern

SB 2006: Sens. Schobinger; Christmann; Mathern

SB 2007: Sens. Kringstad; Thane; Mathern

SB 2008: Sens. Schobinger; Christmann; Mathern

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2009, SB 2010, SB 2011, SB 2014, SB 2016, SB 2017, SB 2020, and SB 2021 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2009: Sens. Bowman; Thane; Krauter

SB 2010: Sens. Kilzer; Holmberg; Tallackson

SB 2011: Sens. Thane; Schobinger; Tallackson

SB 2014: Sens. Kilzer; Christmann; Lindaas

SB 2016: Sens. Grindberg; Andrist; Mathern

SB 2017: Sens. Kilzer; Thane; Lindaas

SB 2020: Sens. Andrist; Schobinger; Tallackson

SB 2021: Sens. Andrist; Schobinger; Tallackson

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2022, SB 2083, and SB 2232 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2022: Sens. Grindberg; Holmberg; Robinson

SB 2083: Sens. J. Lee; Fischer; Polovitz

SB 2232: Sens. Grindberg; Thane; Lindaas

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1013.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013

Page 1, line 4, replace "section" with "subsection 3 of section 47-30.1-12, sections" and after "47-30.1-18" insert "and 47-30.1-19.1, subsection 7 of section 47-30.1-20, section 47-30.1-21.1, subsection 1 of section 47-30.1-22, and sections 47-30.1-24 and 47-30.1-35"

Page 1, line 5, replace "notice of abandoned property" with "the enforcement of the Uniform Unclaimed Property Act"

Page 1, line 13, replace "1,878,020" with "1,876,162"

Page 1, line 14, replace "812,572" with "722,572"

Page 1, line 17, replace "100,000" with "50,000"

Page 1, line 18, replace "7,715,692" with "7,573,834"

Page 2, line 28, remove "approval and"

Page 3, replace lines 2 and 3 with:

"SECTION 7. AMENDMENT. Subsection 3 of section 47-30.1-12 of the North Dakota Century Code is amended and reenacted as follows:

3. For the purpose of this section, a person who holds property as an agent for a business association holds the property in a fiduciary capacity for that business association alone, unless the agreement between the ~~person~~ agent and the business association provides otherwise."

Page 3, line 7, overstrike "a notice" and insert immediately thereafter "two notices"

Page 3, line 8, overstrike "at least"

Page 3, line 9, overstrike "once a week for two consecutive weeks"

Page 3, remove lines 24 and 25

Page 4, after line 4, insert:

"SECTION 9. AMENDMENT. Section 47-30.1-19.1 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-19.1. Abandoned property ~~lists~~ list - Preparation - Contents - Confidentiality Exempt from open records law. The administrator shall annually ~~prepare two lists~~ a list with information about property paid or delivered to the administrator under section 47-30.1-17.

1. ~~One~~ The list must refer to all securities and unclaimed funds ~~of~~ valued at fifty dollars or more in the administrator's custody and must contain the ~~name and last known address of each person appearing from the holders' report to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary from the report of an insurance company.~~
2. ~~The second list must refer to property that has been in the administrator's custody for more than twenty four months and must contain the following information:~~
 - a. The name and last known address of each person appearing from the holders' report to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary from the report of an insurance company.
 - b. ~~The amount paid or delivered to the administrator.~~
 - e. The name of the person who paid or delivered the property to the administrator.
 - ~~d.~~ c. A general description of the property.
 - d. The date on which the administrator received the property.
 - e. Other information the administrator deems appropriate for inclusion in the list.
3. ~~The lists described in this section must be updated annually.~~
4. 2. The ~~lists~~ list described in this section must be available for public inspection at all reasonable business hours and copies of each list must be available to the public for a fee to be set by the administrator.
5. 3. Reports filed with the administrator under section 47-30.1-17 are ~~not public records and are not open to public inspection until twenty four months after the date payment or delivery is made~~ an exempt record as defined in section 44-04-17.1. With the exception of items to be included in the administrator's annual list and publication, all other owner information is exempt from section 44-04-18.

SECTION 10. AMENDMENT. Subsection 7 of section 47-30.1-20 of the North Dakota Century Code is amended and reenacted as follows:

7. Property removed from a safe deposit box or other safekeeping repository is received by the administrator subject to the holder's right under this subsection to be reimbursed for the actual cost of the opening and to any valid lien or contract providing for the holder to be reimbursed for unpaid rent or storage charges. The administrator shall require the owner to reimburse or pay the holder out of the for any outstanding fees prior to claim approval on safe deposit box contents or sale proceeds remaining after deducting the administrator's selling cost from safe deposit box contents.

SECTION 11. AMENDMENT. Section 47-30.1-21.1 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-21.1. Crediting of dividends or increments on stock to owner's account. Whenever property in the form of stock is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends or other increments realized or accruing on the stock for as long as the stock is held by the administrator, provided the total amount of cash due the owner exceeds five dollars.

SECTION 12. AMENDMENT. Subsection 1 of section 47-30.1-22 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided in subsection 2, the administrator, ~~within not less than~~ three years after the receipt of abandoned property, shall sell it to the highest bidder at public sale in whatever manner affords in the judgment of the administrator the most favorable market for the property involved. The administrator may decline the highest bid and reoffer the property at a public sale if in the judgment of the administrator the bid is insufficient. If in the judgment of the administrator the probable cost of sale exceeds the value of the property, it need not be offered for sale. Any public sale held under this section must be preceded by a single publication of notice, at least two weeks in advance of sale, in a newspaper of general circulation in the county in which the property is to be sold.

SECTION 13. AMENDMENT. Section 47-30.1-24 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-24. Filing of claim with administrator - Exempt from open records law.

1. A person, excluding another state, claiming an interest in any property paid or delivered to the administrator may file with the administrator a claim on a form prescribed by the administrator and verified by the claimant.
2. The administrator shall consider each claim within ninety days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. The notice may be given by mailing it to the last address, if any, stated in the claim as the address to which notices are to be sent. If no address for notices is stated in the claim, the notice may be mailed to the last address, if any, of the claimant as stated in the claim. No notice of denial need be given if the claim fails to state either the last address to which notices are to be sent or the address of the claimant.
3. If a claim is allowed, the administrator shall pay over or deliver to the claimant the property or the amount the administrator actually received or the net proceeds if it has been sold by the administrator.
4. Documentation and information submitted by a claimant for the purpose of proving ownership of the property is exempt from section 44-04-18.

SECTION 14. AMENDMENT. Section 47-30.1-35 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-35. Agreement to locate reported property.

1. All agreements to pay compensation to recover or assist in the recovery of property reported under section 47-30.1-17, made within twenty-four months after the date payment or delivery is made to the administrator, are unenforceable.
2. An agreement entered ~~into~~ after such twenty-four-month period is enforceable only if the agreement is in writing and the aggregate fee, compensation, or commission charged is not in excess of ten percent of the amount recovered."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1013 - Land Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$1,898,164	\$1,878,020	(\$1,858)	\$1,876,162
Operating expenses	812,572	812,572	(90,000)	722,572
Capital assets	37,000	37,000		37,000
Grants	4,888,100	4,888,100		4,888,100
Contingencies	<u>100,000</u>	<u>100,000</u>	<u>(50,000)</u>	<u>50,000</u>
Total all funds	\$7,735,836	\$7,715,692	(\$141,858)	\$7,573,834
Less estimated income	<u>7,735,836</u>	<u>7,715,692</u>	<u>(141,858)</u>	<u>7,573,834</u>
General fund	\$0	\$0	\$0	\$0
FTE	17.75	17.75	0.00	17.75

Dept. 226 - Land Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REMOVES FUNDING FOR WEED CONTROL COSTS ²	REDUCES THE CONTINGENCY LINE ITEM ³	TOTAL SENATE CHANGES
Salaries and wages	(\$1,858)			(\$1,858)
Operating expenses		(\$90,000)		(90,000)
Capital assets				
Grants				
Contingencies			<u>(\$50,000)</u>	<u>(50,000)</u>
Total all funds	(\$1,858)	(\$90,000)	(\$50,000)	(\$141,858)
Less estimated income	<u>(1,858)</u>	<u>(90,000)</u>	<u>(50,000)</u>	<u>(141,858)</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for the recommended state employee health insurance premiums from \$493 per month to \$488.70 per month.

² This amendment removes \$90,000 from the operating expenses line for weed control costs, since these expenses can be paid under the continuing appropriation authority in House Bill No. 1103.

³ This amendment reduces funding in the contingency line item by \$50,000, since unknown costs can be paid under the continuing appropriation authority in House Bill No. 1103.

This amendment also removes the requirement of Budget Section approval before a state agency's right to recover property is relinquished; changes the notice and publication of abandoned property lists from a notice to two notices; removes the requirement that the notice must be published at least once a week for two consecutive weeks; removes the requirement that the cost of the abandoned property advertisement may not exceed the cost of the notice; and adds sections from Senate Bill No. 2152 relating to unclaimed property.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1001, HB 1007.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, line 12, replace "5,496,604" with "5,482,878"

Page 1, line 13, replace "2,965,199" with "2,922,920"

Page 1, line 16, replace "8,635,327" with "8,579,322"

Page 1, line 19, replace "4,919,435" with "4,766,029"

Page 1, line 20, replace "2,224,973" with "2,192,856"

Page 1, line 22, replace "7,171,408" with "6,985,885"

Page 1, line 23, replace "15,806,735" with "15,565,207"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Legislative Assembly				
Total all funds	\$8,635,327	\$8,635,327	(\$56,005)	\$8,579,322
Less estimated income				
General fund	\$8,635,327	\$8,635,327	(\$56,005)	\$8,579,322
Legislative Council				
Total all funds	\$7,066,926	\$7,171,408	(\$185,523)	\$6,985,885
Less estimated income				
General fund	\$7,066,926	\$7,171,408	(\$185,523)	\$6,985,885
Bill Total				
Total all funds	\$15,702,253	\$15,806,735	(\$241,528)	\$15,565,207
Less estimated income				
General fund	\$15,702,253	\$15,806,735	(\$241,528)	\$15,565,207

House Bill No. 1001 - Legislative Assembly - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,496,604	\$5,496,604	(\$13,726)	\$5,482,878
Operating expenses	2,965,199	2,965,199	(42,279)	2,922,920
Capital assets	6,000	6,000		6,000
National Conference of State Legislatures	167,524	167,524		167,524
Total all funds	\$8,635,327	\$8,635,327	(\$56,005)	\$8,579,322
Less estimated income				
General fund	\$8,635,327	\$8,635,327	(\$56,005)	\$8,579,322
FTE	0.00	0.00	0.00	0.00

Dept. 150 - Legislative Assembly - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	ADDS FUNDING FOR EQUIPMENT ³	TOTAL SENATE CHANGES
Salaries and wages	(\$13,726)			(\$13,726)
Operating expenses		(\$72,279)	\$30,000	(42,279)
Capital assets				
National Conference of State Legislatures				
Total all funds	(\$13,726)	(\$72,279)	\$30,000	(\$56,005)
Less estimated income				
General fund	(\$13,726)	(\$72,279)	\$30,000	(\$56,005)
FTE	0.00	0.00	0.00	0.00

¹ Funding for health insurance premiums for legislators is reduced from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$72,279 from the general fund, which represents a reduction in information technology funding of approximately 4 percent.

³ This amendment adds funding for replacing tables and chairs for the Brynhild Haugland Room and for replacing guest chairs for the chambers and Great Hall.

House Bill No. 1001 - Legislative Council - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
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Salaries and wages	\$4,814,953	\$4,919,435	(\$153,406)	\$4,766,029
Operating expenses	2,224,973	2,224,973	(32,117)	2,192,856
Capital assets	27,000	27,000		27,000
Total all funds	\$7,066,926	\$7,171,408	(\$185,523)	\$6,985,885
Less estimated income				
General fund	\$7,066,926	\$7,171,408	(\$185,523)	\$6,985,885
FTE	33.00	33.00	0.00	33.00

Dept. 160 - Legislative Council - Detail of Senate Changes

	REMOVES EQUITY ADJUSTMENT FUNDING ¹	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ²	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ³	TOTAL SENATE CHANGES
Salaries and wages	(\$150,000)	(\$3,406)		(\$153,406)
Operating expenses			(\$32,117)	(32,117)
Capital assets				
Total all funds	(\$150,000)	(\$3,406)	(\$32,117)	(\$185,523)
Less estimated income				
General fund	(\$150,000)	(\$3,406)	(\$32,117)	(\$185,523)
FTE	0.00	0.00	0.00	0.00

¹ This amendment removes funding added by the House for salary equity adjustments.

² Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$32,117 from the general fund, which represents a reduction in information technology funding of approximately 4 percent.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, line 3, replace "and to provide reports to" with "to provide an exception to the skilled nursing care bed capacity moratorium; to allow line item transfers; to provide an exception to nursing home rate class limits; to provide emergency rulemaking authority; to provide legislative intent; and to declare an emergency."

Page 1, remove line 4

Page 1, line 14, replace "7,304,763" with "7,405,607"

Page 1, line 15, replace "2,525,427" with "2,631,018"

Page 1, line 17, replace "10,159,944" with "10,366,379"

Page 1, line 18, replace "7,497,035" with "7,070,255"

Page 1, line 19, replace "2,662,909" with "3,296,124"

Page 1, line 22, replace "525,393" with "524,389"

Page 1, line 23, replace "43,597" with "43,494"

Page 1, line 24, replace "481,796" with "480,895"

Page 2, line 1, replace "S.B." with "section 1 of H.B." and replace "3,144,705" with "3,777,019"

Page 2, line 2, replace "S.B." with "section 1 of H.B." and replace "7,540,632" with "7,113,749"

Page 2, line 3, replace "S.B." with "section 1 of H.B." and replace "10,685,337" with "10,890,768"

Page 2, replace lines 15 through 19 with:

"SECTION 4. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS. It is the intent of the fifty-eighth legislative assembly that the governing board of the veterans' home is authorized to adjust full-time employee equivalent positions as needed, subject to the availability of funds, for the veterans' home. The governing board shall report any adjustments to the office of management and budget prior to the submission of the 2005-07 biennial budget request.

SECTION 5. 2001-03 LINE ITEM TRANSFERS - AUTHORIZATION.

Notwithstanding section 54-16-04, the veterans' home is authorized to transfer appropriation authority between line items for the 2001-03 biennium to implement changes in technology and telecommunications, with the approval of the office of management and budget. Any line item transfers shall be reported to the budget section.

SECTION 6. ADDITIONAL SKILLED NURSING CARE BED CAPACITY - AUTHORIZATION - EXCEPTION.

Notwithstanding section 23-16-01.1, relating to the moratorium on expansion of skilled nursing care beds, the veterans' home may increase the nursing home skilled bed capacity by up to eighteen additional beds to be converted from existing basic care bed capacity.

SECTION 7. NURSING HOME RATE CLASS LIMITS - EXCEPTION.

Notwithstanding section 50-24.4-04, relating to the payment rates paid to any nursing home receiving medical assistance payments, the department of human services, subject to the recommendation of the governing board of the veterans' home, may establish a separate payment rate class for the veterans' home for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 8. DEPARTMENT OF HUMAN SERVICES - EMERGENCY RULEMAKING AUTHORITY.

Notwithstanding section 28-32-03, the department of human services may adopt interim rules to implement section 7 of this Act for the biennium beginning July 1, 2003, and ending June 30, 2005. The department of human services shall take appropriate measures to make the interim final rules known to every person who may be affected by them. The interim final rules are ineffective one hundred eighty days after the declared effective date of the rules unless first adopted as final rules.

SECTION 9. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$215,438, or so much of the sum as may be necessary, and \$456,965 of federal funds to the department of human services for the purpose of medicaid reimbursement to the veterans' home relating to the change of nursing home class, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 10. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,583, or so much of the sum as may be necessary, and \$319,402 of the federal funds to the department of human services for the purpose of medicaid reimbursement to the veterans' home relating to the addition of nursing home beds, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$385,373, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing grants to private pay veterans' with long-term health care needs residing at the veterans' home, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 12. EMERGENCY. Sections 4, 5, and 6 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1007 - Summary of Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Office of Management and Budget				
Total all funds	\$0	\$0	\$385,373	\$385,373
Less estimated income				
General fund	\$0	\$0	\$385,373	\$385,373
Veterans' Home				
Total all funds	\$10,643,938	\$10,159,944	\$206,435	\$10,366,379
Less estimated income	7,318,664	7,497,035	(426,780)	7,070,255
General fund	\$3,325,274	\$2,662,909	\$633,215	\$3,296,124
Department of Veterans' Affairs				
Total all funds	\$529,898	\$525,393	(\$1,004)	\$524,389

Less estimated income	43,935	43,597	(103)	43,494
General fund	\$485,963	\$481,796	(\$901)	\$480,895
Department of Human Services -				
Program and policy				
Total all funds	\$0	\$0	\$1,142,388	\$1,142,388
Less estimated income			<u>776,367</u>	<u>776,367</u>
General fund	\$0	\$0	\$366,021	\$366,021
Bill Total				
Total all funds	\$11,173,836	\$10,685,337	\$1,733,192	\$12,418,529
Less estimated income	<u>7,362,599</u>	<u>7,540,632</u>	<u>349,484</u>	<u>7,890,116</u>
General fund	\$3,811,237	\$3,144,705	\$1,383,708	\$4,528,413

House Bill No. 1007 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Grants			<u>\$385,373</u>	<u>\$385,373</u>
Total all funds	\$0	\$0	\$385,373	\$385,373
Less estimated income				
General fund	\$0	\$0	\$385,373	\$385,373
FTE	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Senate Changes

	PROVIDES FUNDING FOR GRANTS TO PRIVATE PAY VETERANS 1	TOTAL SENATE CHANGES
Grants	<u>\$385,373</u>	<u>\$385,373</u>
Total all funds	\$385,373	\$385,373
Less estimated income		
General fund	\$385,373	\$385,373
FTE	0.00	0.00

¹ Provides funding to the Office of Management and Budget for grants to private pay veterans with long-term health care needs residing at the Veteran's Home.

House Bill No. 1007 - Veterans' Home - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$7,678,757	\$7,304,763	\$100,844	\$7,405,607
Operating expenses	2,635,427	2,525,427	105,591	2,631,018
Capital assets	<u>329,754</u>	<u>329,754</u>		<u>329,754</u>
Total all funds	\$10,643,938	\$10,159,944	\$206,435	\$10,366,379
Less estimated income	<u>7,318,664</u>	<u>7,497,035</u>	<u>(426,780)</u>	<u>7,070,255</u>
General fund	\$3,325,274	\$2,662,909	\$633,215	\$3,296,124
FTE	88.01	87.41	1.60	89.01

Dept. 313 - Veterans' Home - Detail of Senate Changes

	ADDS FUNDING FOR SALARIES AND FTE's 1	INCREASES FUNDING FOR OPERATING COSTS 2	CHANGES FUNDING SOURCE 3	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 4	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 5	TOTAL SENATE CHANGES
Salaries and wages	\$111,474			(\$10,630)		\$100,844
Operating expenses		\$105,795			(\$204)	105,591
Capital assets						
Total all funds	\$111,474	\$105,795	\$0	(\$10,630)	(\$204)	\$206,435
Less estimated income			<u>(424,200)</u>	<u>(2,580)</u>		<u>(426,780)</u>
General fund	\$111,474	\$105,795	\$424,200	(\$8,050)	(\$204)	\$633,215
FTE	1.60	0.00	0.00	0.00	0.00	1.60

¹ Increases the salaries and wages line item and provides for an accounting manager position and restores a .6 FTE nursing position.

² Restores \$105,795 of the reduction made in the House for operating expenses.

³ Restores \$424,200 of the general fund reduction made by the House and reduces other funds by the same amount. This adjustment is based on a schedule from the Office of Management of Budget, projecting the funding needed for operations of the Veterans' Home during the 2003-05 biennium.

⁴ Reduces the funding for state employee health insurance premiums from \$493 per month to \$488.70 per month.

⁵ This amendment reduces funding for information technology by \$204 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

The Senate added intent language that the governing board of the Administrative Committee on Veterans' Affairs may adjust FTE positions, subject to the availability of funds, at the Veterans' Home.

The Senate provided for line item transfer authority during the 2001-03 biennium within existing appropriation authority for implementing technology and telecommunications changes.

The Senate provided the Veterans' Home an exemption from the moratorium on expansion of skilled nursing care bed capacity for the conversion of up to 18 basic care beds to skilled care beds and provides an appropriation to the Department of Human Services for additional related medicaid reimbursement costs to the Veterans' Home.

The Senate removed the requirement for periodic reports to the Budget Section on the status of the Administrative Committee on Veterans' Affairs progress in developing and implementing a strategic plan for the Veterans' Home.

The Senate provides an appropriation to the Department of Human Services to provide a separate payment rate class for the Veterans' Home and provides an appropriation to the Department of Human Services for the Medicaid reimbursement costs.

The Senate provides an appropriation to the Office of Management and Budget for grants to private pay veterans with long-term health care needs residing at the Veterans' Home. This amount is based on the current 5,666 private pay bed days per year at the Veterans' Home and additional per resident fees of \$31.19 because of the rate class change.

House Bill No. 1007 - Department of Veterans' Affairs - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Veterans' Affairs Administration	\$529,989	\$525,393	(\$1,004)	\$524,389
Total all funds	\$529,898	\$525,393	(\$1,004)	\$524,389
Less estimated income	43,935	43,597	(103)	43,494
General fund	\$485,963	\$481,796	(\$901)	\$480,895
FTE	5.00	5.00	0.00	5.00

Dept. 321 - Department of Veterans' Affairs - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	TOTAL SENATE CHANGES
Veterans' Affairs Administration	(\$619)	(\$385)	(\$1,004)
Total all funds	(\$619)	(\$385)	(\$1,004)
Less estimated income	(103)		(103)
General fund	(\$516)	(\$385)	(\$901)
FTE	0.00	0.00	0.00

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

² This amendment reduces funding for information technology by \$385 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

House Bill No. 1007 - Department of Human Services - Program and Policy - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Grants - Medical assistance			\$1,142,388	\$1,142,388
Total all funds	\$0	\$0	\$1,142,388	\$1,142,388
Less estimated income			776,367	776,367
General fund	\$0	\$0	\$366,021	\$366,021
FTE	0.00	0.00	0.00	0.00

Dept. 328 - Department of Human Services - Program and Policy - Detail of Senate Changes

	PROVIDES FUNDING FOR MEDICAID REIMBURSEMENT ¹	TOTAL SENATE CHANGES
Grants - Medical assistance	\$1,142,388	\$1,142,388
Total all funds	\$1,142,388	\$1,142,388
Less estimated income	<u>776,367</u>	<u>776,367</u>
General fund	\$366,021	\$366,021
FTE	0.00	0.00

¹ This amendment provides an appropriation to the Department of Human Services relating to Medicaid reimbursement to the Veterans' Home as follows:

Nursing home rate class change

General fund	\$215,438
Federal funds	<u>456,965</u>
Total	\$672,403

Addition of nursing home beds

General fund	\$150,583
Federal funds	<u>319,402</u>
Total	\$469,985

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 8, 2003: HB 1058, HB 1138, HB 1204, HB 1207, HB 1221, HB 1231, HB 1256, HB 1275, HB 1278, HB 1320, HB 1321, HB 1351, HB 1388, HB 1394, HB 1415, HB 1416, HB 1426.

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

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

HB 1009: Sens. Schobinger; Christmann; Tallackson

HCR3005: Sens. Tollefson; Cook; Nichols

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2019 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2019: Sens. Grindberg; Christmann; Tallackson

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1017.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1017

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

Page 1, line 5, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, and"

Page 1, line 8, replace "25,031,370" with "34,017,882"

Page 1, line 9, replace "10,718,437" with "14,529,359"

Page 1, line 11, replace "9,999" with "7,617,792"

Page 1, after line 11, insert:
"Work force 2000

1,500,000"

Page 1, line 12, replace "special funds appropriation" with "all funds" and replace "35,799,490" with "57,704,717"

Page 1, after line 12, insert:

"Less estimated income

Total general fund appropriation

56,204,717

\$1,500,000"

Page 1, after line 15, insert:

"SECTION 3. WORK FORCE 2000 ALLOCATIONS. For the year beginning July 1, 2003, a minimum of \$150,000 of the \$1,500,000 provided for work force 2000 is to be available for projects in areas of the state that are not within five miles [8.05 kilometers] of a city with a population of more than eight thousand. Any work force 2000 funds remaining after June 30, 2004, may be used for projects in any area of the state.

SECTION 4. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS. The legislative council shall consider studying during the 2003-04 interim the impact of pending federal legislation that would significantly change the respective federal-state responsibility and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. The study should consider appropriate organizational placement within state government for delivery of workforce development, workforce training, public labor exchange, and unemployment insurance programs, appropriate methods of funding the programs, including replacement of the Federal Unemployment Tax Act funds currently funding the administration of the unemployment insurance and public labor exchange program, and other relevant issues as may be identified. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$34,411,497	\$25,031,370	\$8,986,512	\$34,017,882
Operating expenses	14,529,359	10,718,437	3,810,922	14,529,359
Capital assets	39,684	39,684		39,684
Grants	7,617,792	9,999	7,607,793	7,617,792
Work Force 2000	<u>2,002,861</u>		<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$58,601,193	\$35,799,490	\$21,905,227	\$57,704,717
Less estimated income	<u>56,598,332</u>	<u>35,799,490</u>	<u>20,405,227</u>	<u>56,204,717</u>
General fund	\$2,002,861	\$0	\$1,500,000	\$1,500,000
FTE	367.17	363.17	4.00	367.17

Dept. 380 - Job Service North Dakota - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	RESTORES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS 2	RESTORES FUNDING FOR WORK FORCE 2000 3	TOTAL SENATE CHANGES
Salaries and wages	(\$39,323)	\$9,025,835		\$8,986,512
Operating expenses		3,810,922		3,810,922
Capital assets				
Grants		7,607,793		7,607,793
Work Force 2000			<u>\$1,500,000</u>	<u>1,500,000</u>
Total all funds	(\$39,323)	\$20,444,550	\$1,500,000	\$21,905,227
Less estimated income	<u>(39,323)</u>	<u>20,444,550</u>		<u>20,405,227</u>
General fund	\$0	\$0	\$1,500,000	\$1,500,000
FTE	0.00	0.00	4.00	4.00

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

² This amendment restores special funds totaling \$20,444,550 that was transferred by the House from Job Service North Dakota to the Department of Commerce. The funding relates to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$6,389,292).

³ This amendment restores funding of \$1.5 million from the general fund and four FTE positions relating to the Work Force 2000 program that were transferred by the House to the Department of Commerce.

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently failed to pass: SB 2415.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SCR 4038, SCR 4039.

REPORT OF CONFERENCE COMMITTEE

HB 1035, as engrossed: Your conference committee (Sens. Dever, Trenbeath, Nelson and Reps. DeKrey, Grande, Eckre) recommends that the **SENATE RECEDE** from the House amendments on HJ pages 869-870, adopt further amendments as follows, and place HB 1035 on the Seventh order:

That the Senate recede from its amendments as printed on pages 869 and 870 of the House Journal and pages 684 and 685 of the Senate Journal and that Engrossed House Bill No. 1035 be amended as follows:

Page 3, line 12, replace "14." with "13."

Page 3, line 15, replace "15." with "14."

Page 19, after line 29, insert:

"19. If the child-placing agency has located both genetic parents and only one parent authorizes disclosure, the information disclosed by the agency may relate only to the consenting parent. Before an agency discloses information under this subsection, the parent consenting to disclosure shall sign a statement that the consenting parent will not disclose to the receiving party any information identifying the nonconsenting parent."

Page 19, line 30, replace "19." with "20."

Page 21, line 1, replace "20." with "21."

Page 21, line 10, replace "21." with "22."

Page 22, line 2, replace "22." with "23."

Page 22, line 9, replace "23." with "24."

Page 23, line 3, replace "24." with "25."

Page 23, line 6, replace "25." with "26."

Page 23, line 8, replace "26." with "27."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

HB 1292, as engrossed: Your conference committee (Sens. Trenbeath, Nething, Taylor and Reps. Hawken, Weiler, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 985-986, adopt amendments as follows, and place HB 1292 on the Seventh order:

That the Senate recede from its amendments as printed on pages 985 and 986 of the House Journal and page 723 of the Senate Journal and that House Bill No. 1292 be amended as follows:

Page 1, line 1, replace "section" with "sections" and after "39-24-04" insert "and 39-24-11"

Page 1, line 2, after "fee" insert "; to provide a penalty; to provide an appropriation; and to provide an effective date"

Page 1, after line 24, insert:

"SECTION 2. AMENDMENT. Section 39-24-11 of the North Dakota Century Code is amended and reenacted as follows:

39-24-11. Penalties. Any person who violates subdivision b or g of subsection 5 of section 39-24-09 is guilty of a class B misdemeanor. Any person who violates subdivision c of subsection 5 of section 39-24-09 is guilty of an infraction or a class B misdemeanor as determined by section 39-24.1-07. Any person who violates subsection 11 of section 39-24-09 is guilty of a class B misdemeanor and must be assessed a fine of at least one hundred dollars. Any person who violates any other provision of section 39-24-09 must be assessed a fee of twenty dollars. Any person, unless specifically exempted, who fails to register or fails to display a decal as required by ~~section~~ sections 39-24-02 and 39-24-04 must be assessed a fee of fifty dollars. If the person provides proof of registration after the violation, the fee may be reduced by one-half. Any person who violates any other provision of this chapter for which a specific penalty is not provided must be assessed a fee of ten dollars.

SECTION 3. APPROPRIATION. There is appropriated out of moneys in the state snowmobile fund in the state treasury, not otherwise appropriated, the sum of \$4,995, or so much of the sum as may be necessary, to the parks and recreation department for the purposes of establishing and administering the decal program for snowmobiles registered in another state or country, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. EFFECTIVE DATE. Section 1 of this Act becomes effective on August 1, 2005."

Renumber accordingly

Engrossed HB 1292 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1469, as engrossed: Your conference committee (Sens. Fischer, Brown, Fairfield and Reps. Weisz, Pietsch, Amerman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 918-919, adopt further amendments as follows, and place HB 1469 on the Seventh order:

That the Senate recede from its amendments as printed on page 1108 of the House Journal and pages 918 and 919 of the Senate Journal and that Engrossed House Bill No. 1469 be amended as follows:

Page 2, line 5, replace "and which apply any period of disqualification beginning the first month" with an underscored period

Page 2, remove lines 6 and 7

Page 2, line 12, replace "and which apply any period of disqualification beginning the first month" with an underscored period

Page 2, remove lines 13 and 14

Renumber accordingly

Engrossed HB 1469 was placed on the Seventh order of business on the calendar.

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2013 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to provide an appropriation; to provide for an exemption;" and replace the second "and" with a semicolon

Page 1, line 4, remove "contingent payments; and", remove "a", replace "statement" with "statements", and after "intent" insert "; to create and enact a new section to chapter 54-52 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; to amend and reenact subsection 3 of section 15-39.1-09, subsection 3 of section 54-52-01, subsection 5 of section 54-52-17.4, and subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; and to declare an emergency"

Page 1, line 15, replace "9,287,593" with "9,277,686"

Page 1, line 16, replace "13,102,674" with "12,923,270"

Page 1, line 18, replace "479,379,990" with "489,379,990"

Page 1, line 22, replace "182,075,244" with "182,255,244"

Page 1, line 23, replace "855,108,567" with "865,099,256"

Page 2, line 1, replace "265,915,532" with "266,058,803"

Page 2, line 2, replace "589,193,035" with "599,040,453"

Page 2, line 5, replace "2,081,564" with "2,078,571"

Page 2, line 6, replace "1,188,360" with "1,161,507"

Page 2, line 8, replace "4,666,731" with "4,636,885"

Page 2, line 9, replace "1,630,082" with "1,629,979"

Page 2, line 10, replace "3,036,649" with "3,006,906"

Page 2, line 13, replace "4,807,382" with "4,809,808"

Page 2, line 14, replace "1,105,746" with "1,091,403"

Page 2, line 16, replace "5,945,851" with "5,933,934"

Page 2, line 18, replace "5,074,402" with "5,062,485"

Page 2, line 21, replace "2,543,182" with "2,540,292"

Page 2, line 22, replace "702,603" with "697,821"

Page 2, line 24, replace "3,264,018" with "3,256,346"

Page 2, line 25, replace "1,170,572" with "1,170,108"

Page 2, line 26, replace "2,093,446" with "2,086,238"

Page 2, line 27, after "appropriation" insert "section 1 of" and replace "599,397,532" with "609,196,082"

Page 2, line 28, after "appropriation" insert "section 1 of" and replace "269,587,635" with "269,730,339"

Page 2, line 29, after "appropriation" insert "section 1 of" and replace "868,985,167" with "878,926,421"

Page 2, after line 29, insert:

"SECTION 2. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$10,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2003."

Page 3, after line 4, insert:

"SECTION 4. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 13 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used by the department of public instruction in conjunction with special funds received by the department for the purpose of providing a grant to fund the north central council of school television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools.

SECTION 5. LEGISLATIVE INTENT - ADULT EDUCATION PROGRAM. It is the intent of the legislative assembly that the additional \$20,000 of funding from the general fund provided for the department of public instruction's adult education program

is to be distributed by the department to address salary concerns for those teachers who have not received the teacher compensation payments."

Page 4, remove lines 23 through 31

Page 5, remove lines 1 through 30

Page 6, after line 6, insert:

"SECTION 14. AMENDMENT. Subsection 3 of section 15-39.1-09 of the North Dakota Century Code is amended and reenacted as follows:

3. A person, except the superintendent of public instruction, who is certified to teach in this state by the education standards and practices board and who is first employed and entered upon the payroll of the superintendent of public instruction after January 6, 2001, may elect to become a participating member of the public employees retirement system. An election made by a person to participate in the public employees retirement system under this subsection is irrevocable. Nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, may elect to transfer to the public employees retirement system pursuant to section 16 of this Act.

SECTION 15. AMENDMENT. Subsection 3 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials who elect to remain members of the retirement system; provided, that judges of the supreme and district courts eligible under section 54-52-02.3 ~~and~~, appointed officials who elect to participate under section 54-52-02.5, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 16 of this Act are eligible employees and shall participate in the public employees retirement system. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

SECTION 16. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Participation by nonteaching employees of the office of the superintendent of public instruction. Notwithstanding any other provision of law, between the effective date of this Act and five o'clock p.m. on August 29, 2003, a nonteaching employee of the superintendent of public instruction, including the superintendent of public instruction, who is otherwise eligible to participate in the public employees retirement system may file an election with the staff of the retirement and investment office to transfer from the teachers' fund for retirement to the public employees retirement system. The teachers' fund for retirement shall certify the employees who are eligible to transfer. An election to transfer is irrevocable for as long as the employee remains employed with the superintendent of public instruction. The teachers' fund for retirement shall certify a transferring employee's salary, service credit, contribution history, account balance, and any other necessary information to the public employees retirement system. The amount to be transferred is the greater of the actuarial present value of the employee's accrued benefit as of July 1, 2003, plus interest at the rate of seven and one-half percent from July 1, 2003, until the date the amount is transferred to the public employees retirement system or the employee's account balance as of the date of transfer. The public employees retirement system shall credit the transferring employee with the service credit specified by the teachers' fund for retirement and shall convert the annual salary history from the teachers' fund for retirement to a monthly salary for the period. An employee becomes a member of the public employees retirement system as of the date the funds are transferred. To be eligible to transfer, an employee must be employed by the office of the superintendent of public instruction at the date of the transfer. The superintendent of public instruction shall begin making retirement contributions, and the public employees retirement system shall begin receiving those retirement contributions, on behalf of employees who have elected to

transfer to the public employees retirement system to that system the first of the month following the date of transfer.

SECTION 17. AMENDMENT. Subsection 5 of section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:

5. A participating member, or a member not presently under covered employment, may request credit for qualified military service pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 [Pub. L. 103-353; 108 Stat. 3150; 38 U.S.C. 4301-4307]. The member shall submit a qualified application with proof of eligible military service to the board in order to receive credit for military service. For credit on and after July 1, 1966, the member must pay four percent times the member's most recent monthly salary, times the number of months of credit being purchased, plus interest at a rate determined by the board. In addition, the governmental unit, or in the case of a member not under covered employment the last employing governmental unit, shall pay to the retiree health benefits fund established under section 54-52.1-03.2 ~~one percent~~ the percentage required by section 54-52.1-03.2 times the member's present monthly salary times the member's months of credit being purchased. For credit before July 1, 1966, no contribution is required.

SECTION 18. AMENDMENT. Subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and one-tenth percent of the monthly salary or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 16 of this Act and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one percent of the monthly salary or wages of those nonteaching employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall:
 - a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.

- b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the public employees retirement fund, not otherwise appropriated, the sum of \$3,000, or so much of the sum as may be necessary, to the public employees retirement system for the purpose of implementing sections 15 through 18 of this Act, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 20. EMERGENCY. Sections 2 and 4 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Public Employees Retirement System				
Total all funds	\$0	\$0	\$3,000	\$3,000
Less estimated income			<u>3,000</u>	<u>3,000</u>
General fund	\$0	\$0	\$0	\$0
Department of Public Instruction				
Total all funds	\$874,145,677	\$855,108,567	\$9,990,689	\$865,099,256
Less estimated income	<u>265,980,642</u>	<u>265,915,532</u>	<u>143,271</u>	<u>266,058,803</u>
General fund	\$608,165,035	\$589,193,035	\$9,847,418	\$599,040,453
State Library				
Total all funds	\$4,687,581	\$4,666,731	(\$29,846)	\$4,636,885
Less estimated income	<u>1,630,863</u>	<u>1,630,082</u>	<u>(103)</u>	<u>1,629,979</u>
General fund	\$3,056,718	\$3,036,649	(\$29,743)	\$3,006,906
School for the Deaf				
Total all funds	\$5,994,124	\$5,945,851	(\$11,917)	\$5,933,934
Less estimated income	<u>871,449</u>	<u>871,449</u>		<u>871,449</u>
General fund	\$5,122,675	\$5,074,402	(\$11,917)	\$5,062,485
North Dakota Vision Services - School for the Blind				
Total all funds	\$3,290,629	\$3,264,018	(\$7,672)	\$3,256,346
Less estimated income	<u>1,198,474</u>	<u>1,170,572</u>	<u>(464)</u>	<u>1,170,108</u>
General fund	\$2,092,155	\$2,093,446	(\$7,208)	\$2,086,238
Bill Total				
Total all funds	\$888,118,011	\$868,985,167	\$9,944,254	\$878,929,421
Less estimated income	<u>269,681,428</u>	<u>269,587,635</u>	<u>145,704</u>	<u>269,733,339</u>
General fund	\$618,436,583	\$599,397,532	\$9,798,550	\$609,196,082

Senate Bill No. 2013 - Public Employees Retirement System - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			<u>\$3,000</u>	<u>\$3,000</u>
Total all funds	\$0	\$0	\$3,000	\$3,000
Less estimated income			<u>3,000</u>	<u>3,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Dept. 192 - Public Employees Retirement System - Detail of House Changes

	PROVIDES FUNDING FOR ADMINISTRATION ¹	TOTAL HOUSE CHANGES
Operating expenses	<u>\$3,000</u>	<u>\$3,000</u>
Total all funds	\$3,000	\$3,000
Less estimated income	<u>3,000</u>	<u>3,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment provides the Public Employees Retirement System a special funds appropriation of \$3,000 for implementing the changes necessary to allow for nonteaching employees of the Department of Public Instruction to transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

Senate Bill No. 2013 - Department of Public Instruction - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$9,572,703	\$9,287,593	(\$9,907)	\$9,277,686
Operating expenses	13,527,674	13,102,674	(179,404)	12,923,270
Capital assets	15,000	15,000		15,000
Hold harmless payments	1,200,000			
Reorganization bonuses and joint powers	1,000,000			
Grants - State school aid	478,056,990	479,379,990	10,000,000	489,379,990
Grants - Teacher compensation payments	66,277,000	51,854,000		51,854,000
Grants - Revenue supplement payments	3,200,000			
Grants - Tuition apportionment	69,495,371	69,495,371		69,495,371
Grants - Special education	49,898,695	49,898,695		49,898,695
Grants - Other grants	<u>181,902,244</u>	<u>182,075,244</u>	<u>180,000</u>	<u>182,255,244</u>
Total all funds	\$874,145,677	\$855,108,567	\$9,990,689	\$865,099,256
Less estimated income	<u>265,980,642</u>	<u>265,915,532</u>	<u>143,271</u>	<u>266,058,803</u>
General fund	\$608,165,035	\$589,193,035	\$9,847,418	\$599,040,453
FTE	93.25	93.25	0.00	93.25

Dept. 201 - Department of Public Instruction - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	INCREASES STATE FUNDING FOR SCHOOL AID 3	INCREASES FUNDING FOR TEACHER CENTERS 4	INCREASES FUNDING FOR ADULT EDUCATION 5	PROVIDES SPECIAL FUNDS AUTHORITY FOR OTHER GRANTS 6
Salaries and wages	(\$9,907)					
Operating expenses		(\$179,404)				
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid			\$10,000,000			
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants				<u>\$10,000</u>	<u>\$20,000</u>	<u>\$150,000</u>
Total all funds	(\$9,907)	(\$179,404)	\$10,000,000	\$10,000	\$20,000	\$150,000
Less estimated income	<u>(6,729)</u>					<u>150,000</u>
General fund	(\$3,178)	(\$179,404)	\$10,000,000	\$10,000	\$20,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL HOUSE CHANGES					
Salaries and wages	(\$9,907)					
Operating expenses	(179,404)					
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid	10,000,000					
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants	<u>180,000</u>					
Total all funds	\$9,990,689					
Less estimated income	<u>143,271</u>					
General fund	\$9,847,418					
FTE	0.00					

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

- ² This amendment reduces funding for information technology by \$179,404 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.
- ³ Engrossed Senate Bill No. 2154, as amended by the House, increases the state school aid per student payment for the first year of the biennium from \$2,497 as recommended by the Senate to \$2,509 and the payment for the second year of the biennium from \$2,619 as recommended by the Senate to \$2,633. The executive budget recommended per student payments of \$2,430 for the first year and \$2,528 for the second year. To properly account for the increase in state school aid per student payments, funding of \$10 million is added to the state school aid funding, increasing funding from \$479,379,990 as recommended by the Senate to \$489,379,990.
- ⁴ This amendment increases funding from the general fund for support of teacher centers from \$220,000 to \$230,000.
- ⁵ This amendment increases funding from the general fund for adult education by \$20,000, from \$900,000 to \$920,000. The funding is to be allocated as determined by the department to address salary concerns for the teachers in the adult education program who have not received teacher compensation payments.
- ⁶ This amendment provides the department with additional special funds spending authority of \$150,000. The funding is to be used by the department in conjunction with \$105,000 of general fund carryover from the 2001-03 biennium for providing a grant for the purpose of funding the North Central Council of School Television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools.

This amendment also:

- Adds a section to the bill appropriating \$10 million of special funds derived from federal funds to the department for the purpose of providing grants to school districts for the period beginning with the effective date of the Act and ending June 30, 2003.
- Amends the North Dakota Century Code to provide that nonteaching employees of the Department of Public Instruction may transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

Senate Bill No. 2013 - State Library - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,102,414	\$2,081,564	\$2,993	\$2,078,571
Operating expenses	1,188,360	1,188,360	(26,853)	1,161,507
Grants	<u>1,396,807</u>	<u>1,396,807</u>		<u>1,396,807</u>
Total all funds	\$4,687,581	\$4,666,731	(\$29,846)	\$4,636,885
Less estimated income	<u>1,630,863</u>	<u>1,630,082</u>	(103)	<u>1,629,979</u>
General fund	\$3,056,718	\$3,036,649	(\$29,743)	\$3,006,906
FTE	28.75	28.75	0.00	28.75

Dept. 250 - State Library - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,993)		(\$2,993)
Operating expenses		(\$26,853)	(26,853)
Grants			
Total all funds	(\$2,993)	(\$26,853)	(\$29,846)
Less estimated income	(103)		(103)
General fund	(\$2,890)	(\$26,853)	(\$29,743)
FTE	0.00	0.00	0.00

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

² This amendment reduces funding for information technology by \$26,853 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

Senate Bill No. 2013 - School for the Deaf - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,855,655	\$4,807,382	\$2,426	\$4,809,808
Operating expenses	1,105,746	1,105,746	(14,343)	1,091,403
Capital assets	<u>32,723</u>	<u>32,723</u>		<u>32,723</u>
Total all funds	\$5,994,124	\$5,945,851	(\$11,917)	\$5,933,934
Less estimated income	<u>871,449</u>	<u>871,449</u>		<u>871,449</u>
General fund	\$5,122,675	\$5,074,402	(\$11,917)	\$5,062,485
FTE	51.85	51.85	0.00	51.85

Dept. 252 - School for the Deaf - Detail of House Changes

	PROVIDES FUNDING FOR SALARY SCHEDULE 1	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	TOTAL HOUSE CHANGES
Salaries and wages	\$8,205	(\$5,779)		\$2,426
Operating expenses			(\$14,343)	(14,343)
Capital assets				
Total all funds	\$8,205	(\$5,779)	(\$14,343)	(\$11,917)
Less estimated income				
General fund	\$8,205	(\$5,779)	(\$14,343)	(\$11,917)
FTE	0.00	0.00	0.00	0.00

¹ This amendment provides funding of \$8,205 from the general fund to fully fund the composite schedule at the School for the Deaf.

² This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$14,343 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

Senate Bill No. 2013 - North Dakota Vision Services - School for the Blind - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,569,793	\$2,543,182	(\$2,890)	\$2,540,292
Operating expenses	702,603	702,603	(4,782)	697,821
Capital assets	18,233	18,233		18,233
Total all funds	\$3,290,629	\$3,264,018	(\$7,672)	\$3,256,346
Less estimated income	1,198,474	1,170,572	(464)	1,170,108
General fund	\$2,092,155	\$2,093,446	(\$7,208)	\$2,086,238
FTE	27.00	27.00	0.00	27.00

Dept. 253 - North Dakota Vision Services - School for the Blind - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,890)		(\$2,890)
Operating expenses		(\$4,782)	(4,782)
Capital assets			
Total all funds	(\$2,890)	(\$4,782)	(\$7,672)
Less estimated income	(464)		(464)
General fund	(\$2,426)	(\$4,782)	(\$7,208)
FTE	0.00	0.00	0.00

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

² This amendment reduces funding for information technology by \$4,782 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

REPORT OF STANDING COMMITTEE (MAJORITY)

SB 2154, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman) A MAJORITY of your committee (Reps. Svedjan, Timm, Martinson, Brusegaard, Monson, Rennerfeldt, Wald, Carlisle, Koppelman, Skarphol, Thoreson, Warnke) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS.

In lieu of the amendments adopted by the House as printed on pages 1200-1214 of the House Journal, Reengrossed Senate Bill No. 2154 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 15.1-07 and a new section to chapter 15.1-12 of the North Dakota Century Code, relating to school district plans and changes and interim funds; to amend and reenact subsection 5 of section 15.1-09-36, subsection 6 of section 15.1-27-01, sections 15.1-27-04, 15.1-27-05, 15.1-27-06, and 15.1-27-07, subsection 1 of section 15.1-27-10, subsection 4 of section 15.1-27-19, subsection 4 of section 15.1-27-21, sections 15.1-27-34, 15.1-27-37, 15.1-27-39, and 15.1-29-01, subsection 4 of section 15.1-29-06, sections 15.1-29-13 and 15.1-29-14, subsection 1

of section 15.1-30-01, section 15.1-30-05, subsection 2 of section 15.1-30-15, and sections 15.1-31-05, 15.1-31-06, and 15.1-32-16 of the North Dakota Century Code, relating to per student payments, weighting factors, transportation aid, teacher compensation, and teacher compensation reimbursement; to provide for a legislative council study; to provide for contingent payments; to repeal sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code, relating to state transportation aid payments; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

School district demographics - Long-term planning process.

1. Between January first and June thirtieth of every even-numbered year, the board of each school district shall invite the public to participate in a planning process addressing the effects that demographics might have on the district in the ensuing five-year and ten-year periods, and specifically addressing potential effects on:
 - a. Academic, athletic, and extracurricular programs;
 - b. Instructional and administrative staffing;
 - c. Facility needs and utilization; and
 - d. District tax levies.
2. At the conclusion of the planning process, the board shall prepare a report, publish a notice in the official newspaper of the district indicating that the report is available, and make the report available upon request.

SECTION 2. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

High school district - Change to elementary district - Prohibited.

1. Beginning July 2, 2003, a high school district may not become an elementary district.
2. Subsection 1 does not apply to elementary school districts participating in cooperative agreements approved by the superintendent of public instruction.

SECTION 3. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Interim fund.

1. The board of a school district may include in its budget an item to be known as the "interim fund". The interim fund must be carried over to the ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the school district may be legally extended for that portion of the fiscal year prior to the receipt of taxes.
2. The amount in the interim fund may not exceed the lesser of:
 - a. The amount reasonably required to finance the school district for the first nine months of the ensuing fiscal year; or
 - b. Fifty percent of the current annual appropriation for all purposes other than debt retirement and appropriations financed from bond sources plus twenty thousand dollars.

SECTION 4. AMENDMENT. Subsection 5 of section 15.1-09-36 of the North Dakota Century Code is amended and reenacted as follows:

5. If a board charges fees not authorized by law and refuses to discontinue the charges when directed to do so by the superintendent of public instruction, the superintendent shall withhold the ~~per student and transportation state~~ aid payments to which the district is entitled for each student charged an unauthorized fee.

SECTION 5. A new section to chapter 15.1-12 of the North Dakota Century Code is created and enacted as follows:

State board of public school education - Approval of elementary districts prohibited. The state board of public school education may not approve any reorganization plan that would result in the creation of an elementary district.

SECTION 6. AMENDMENT. Subsection 6 of section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

6. If funds appropriated for distribution to districts as ~~per student and transportation state~~ aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

SECTION 7. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code 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 ~~two~~ five hundred ~~eighty-seven~~ nine dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand ~~three~~ six hundred ~~forty-seven~~ thirty-three 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 is amended and reenacted as follows:

15.1-27-05. (Effective through June 30, 2004) 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, ~~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~~ thirty-four 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 percent of its actual expenditures plus twenty thousand dollars.

(Effective after June 30, 2004) School district equalization factor.

1. 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, ~~transportation aid~~, and teacher compensation payments for which a school district is eligible and from that total subtract the following:
 - ~~4-~~ a. The product of ~~thirty-two~~ thirty-six mills times the latest available net assessed and equalized valuation of property in the district.
 - ~~2-~~ b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars.
2. Beginning July 1, 2005, and each year thereafter, the number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by two over the number of mills used in determining the product required by that subdivision the previous year, until the number of mills used by the superintendent of public instruction reaches an equity index equal to twenty-five percent of the state average school district general fund mill

levy. Upon reaching the equity index, the superintendent of public instruction shall annually adjust the number of mills in order to remain at the equity index.

3. Whenever the legislative assembly considers changes in state aid to education, the legislative assembly shall also review the rate established by subsection 2 for reaching the equity index and determine whether that rate should be adjusted proportionately.

SECTION 9. AMENDMENT. Section 15.1-27-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-06. Per student payments - Weighting factors - High school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. Each district having under seventy-five students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.625 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
2. Each district having at least seventy-five but fewer than one hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.335 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
3. Each district having at least one hundred fifty but fewer than five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.24 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
4. Each district having at least five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.14 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.

5. Each district having an approved alternative high school education program is entitled to receive the amount of money that results from multiplying the factor in:
 - a. Subsection 1 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if fewer than seventy-five students in average daily membership are enrolled in the alternative education program.
 - b. Subsection 2 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least seventy-five but fewer than one hundred fifty students in average daily membership are enrolled in the alternative education program.
 - c. Subsection 3 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least one hundred fifty but fewer than five hundred fifty students in average daily membership are enrolled in the alternative education program.
 - d. Subsection 4 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least five hundred fifty students in average daily membership are enrolled in the alternative education program.
6. In order to be eligible for enumeration under this section, a student:
 - a. Must have completed the work of the eighth grade;
 - b. Must not have completed the work of the twelfth grade; and
 - c. Must be a resident of this state or a nonresident attending a school in this state under the auspices of a foreign student exchange program.

SECTION 10. AMENDMENT. Section 15.1-27-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-07. Per student payments - Weighting factors - Elementary school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. a. Each district having only a one-room rural school is entitled to receive the amount of money that results from multiplying the factor 1.28 adjusted by ~~seventy five~~ eighty-five percent of the difference between 1.28 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through eight in that school, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment level provided for in this subdivision is applicable only to the first sixteen students.
- b. If the one-room rural school has more than sixteen students in average daily membership in grades one through eight, the district in which the school is located is entitled to receive ninety percent of the per student payment provided for in section 15.1-27-04 for each additional student. The district is not entitled to any payment for more than twenty students in average daily membership.
- c. If a one-room rural school is located in a district having another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six, as provided in this section.

- d. If a one-room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor for the students in grade seven or eight must be the same as that provided for in subsection 5.
2. Except as provided in subsection 1, each school district having fewer than one hundred students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor 1.09 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
3. Each school district having at least one hundred students but fewer than one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .905 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.
4. Each school district having at least one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .95 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of the education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.
5. Each school district having students in grades seven and eight is entitled to receive the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades seven and eight in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher. The payments provided for in this subsection are not available for students who attend a one-room rural school if that school is the only one in the district that offers educational services to students in grades seven and eight.
6. Each school district having a special education program approved by the director of special education is entitled to receive, for each student who is enrolled in the program and who is at least three years of age but less than the compulsory age for school attendance, the amount of money that

results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of special education students in average daily membership in the program who are at least three years of age but less than the compulsory age for school attendance, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.

7.
 - a. Each school district operating a kindergarten as provided for in section 15.1-22-02 is entitled to receive the amount of money that results from multiplying the factor .50 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .50 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of kindergarten students in average daily membership in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
 - b. In order to receive the full per student payment available under this section, a district must operate a kindergarten program that provides the equivalent of ninety full days of classroom instruction during a twelve-month period. A district is entitled to a prorated payment under this section if it operates a kindergarten program of shorter duration.
8. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
9. Each school district is entitled to receive as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.
10. A school district is not entitled to any payments provided for by this chapter unless each teacher employed by the district:
 - a. Holds a teaching license issued by the education standards and practices board; or
 - b. Has been approved to teach by the education standards and practices board.

SECTION 11. AMENDMENT. Subsection 1 of section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes ~~per student and transportation~~ state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.

SECTION 12. AMENDMENT. Subsection 4 of section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half

percent of the total amount appropriated by the legislative assembly for ~~per student and transportation~~ state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.

SECTION 13. AMENDMENT. Subsection 4 of section 15.1-27-21 of the North Dakota Century Code is amended and reenacted as follows:

4. The superintendent of public instruction shall pay the amount due under this section within the limits of legislative appropriations for ~~per student state aid payments and transportation aid.~~

SECTION 14. AMENDMENT. Section 15.1-27-34 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-34. Transfer of funds prohibited - Youth correctional center. The superintendent of public instruction may not transfer any portion of the funds appropriated for ~~per student state aid payments and transportation aid~~ to the youth correctional center to support the provision of educational services by the youth correctional center.

SECTION 15. AMENDMENT. Section 15.1-27-37 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-37. 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~~ at least maintain the level of compensation of provided to teachers employed by the district during the 2002-03 school year.
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~~ whose level of compensation will be at least equal to that provided during the 2002-03 school year; and
 - c. The total amount of ~~the increase in any compensation increases~~ provided to full-time equivalent teachers over the level of compensation provided during the 2002-03 school year.
3.
 - a. For the ~~2001-02~~ 2003-04 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~~ 2003.
 - b. For the 2004-05 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, 2004.
 - c. For the ~~2002-03~~ 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, ~~2002~~ 2003, 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.

- d. For the 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, 2004, 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 16. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. Beginning with the ~~2004-02~~ 2003-04 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, ~~a:~~
- a. ~~A minimum salary level of salary~~ for the contract period equal to at least ~~eighteen~~ twenty-one thousand ~~five hundred~~ dollars; or
- b. Total compensation for the contract period equal to at least twenty-six thousand dollars.
2. Beginning with the ~~2002-03~~ 2004-05 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:~~
- a. A minimum salary level for the contract period equal to at least ~~twenty~~ twenty-two thousand ~~five hundred~~ dollars; or
- b. Total compensation for the contract period equal to at least twenty-seven thousand five hundred dollars.

SECTION 17. AMENDMENT. Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-01. Education of students in bordering states - Payment of tuition.

1. Students may attend a school in a bordering state in accordance with section 15.1-29-02 under the following circumstances:
- a. A student who lives within forty miles [64.37 kilometers] of another state or in a county bordering on another state may, with the approval of the school board, attend a public school in a bordering state.
- b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.
- c. A student whose sibling attended an out-of-state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state.
2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.

- a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.
 - b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.
 - c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.
 - d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.
3. a. The superintendent of public instruction shall forward all ~~per student and transportation~~ state aid payments for a student attending an out-of-state school to the student's school district of residence.
 - b. The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.
 - e. ~~Transportation payments for a student attending school in a bordering state must be determined as provided in section 15.1-27-27.~~
4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

SECTION 18. AMENDMENT. Subsection 4 of section 15.1-29-06 of the North Dakota Century Code is amended and reenacted as follows:

4. A school district of residence may provide transportation to a student for whom tuition is paid under this section. If a school district of residence does not provide transportation to the student, it may be provided by the admitting district ~~and the admitting district is then entitled to state payments for the transportation of the student.~~

SECTION 19. AMENDMENT. Section 15.1-29-13 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-13. Tuition payments - Nonresident students.

1. a. Except as provided in this subsection, the board of a school district that admits a nonresident student shall charge and collect tuition for the student. Either the student's district of residence shall pay the tuition to the admitting district in accordance with section 15.1-29-12 or the student's parent shall pay the tuition to the admitting district in accordance with section 15.1-29-07.
 - b. A board may charge tuition for nonresident students enrolled in an approved alternative education program.
 - c. Except as otherwise provided, if a school district fails to charge and collect tuition for a nonresident student, the districts shall forfeit any ~~per student payment and transportation~~ state aid otherwise payable for the nonresident student.
2. a. The board of a school district may admit a nonresident student from another district in this state offering the same grade level as that in which the student is enrolled without a charge and collection of tuition

if the sending and admitting districts have entered into a written contract regarding the student's admission.

- b. For purposes of determining whether the same grade level is offered, two or more school districts cooperating with each other for the joint provision of educational services under a plan approved by the superintendent of public instruction must be considered to be a single district.
 - c. The contract must specify whether transportation is to be provided and, if so, by which district. If a school district of residence does not provide transportation to the student, it may be provided by the admitting district and the admitting district is then entitled to state payments for the transportation of the student.
 - d. A contract is not necessary if the nonresident student is enrolled in an approved alternative education program for which no tuition is charged.
 - e. A school district may admit a nonresident student described in section 15.1-31-07 from another school district in this state without a charge and collection of tuition and without a written agreement.
3. A school district may not charge or collect from a nonresident student, the student's parent, or the student's district of residence any fees or charges not otherwise assessed to all resident students.

SECTION 20. AMENDMENT. Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition.

1. For purposes of applying this chapter, a student's school district of residence is the district in which the student resides:
 - a. At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;
 - b. At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;
 - c. At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or
 - d. At the time the student is voluntarily admitted to a state-operated institution or to a state-licensed child care home or facility.
2. The student's school district of residence is obligated to pay:
 - a. All charges for tuition upon claim of the admitting district; and
 - b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by 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.
3. a. If, after a student placement is made as provided for under subsection 1, the student's custodial parent establishes residency in another school district in this state, the school district in which the custodial parent has established residency becomes the student's school district of residence for purposes of paying tuition and tutoring charges under subsection 2.

- b. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for ~~per student and transportation~~ state aid to schools:
 - (1) If, after a student placement is made as provided for under subsection 1, the student's custodial parent establishes residency outside this state; or
 - (2) If a court orders a termination of parental rights with respect to the student's parents.
4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.
5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition from ~~per student payments and transportation~~ state aid otherwise payable to the student's school district of residence until the tuition due has been fully paid.
6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for special education in the case of a student with disabilities or from ~~funds appropriated for per student~~ state aid payments and transportation aid to schools in all other cases.
7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. If the student's custodial parent establishes residency outside this state, or if a court orders a termination of parental rights with respect to the student's parents, the state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for ~~per student and transportation~~ state aid to schools.
8. a. The placing agency shall provide written notice regarding an initial placement and all subsequent placements of a student, by registered mail, to the superintendent of the student's school district of residence and to the superintendent of the admitting district:
 - (1) Within five working days after a placement is made under court order;
 - (2) Within five working days after an emergency placement is made; or
 - (3) At least ten working days prior to any other placement.
- b. The written notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.
- c. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.

9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition by either the student's school district of residence or the superintendent of public instruction.
10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

SECTION 21. AMENDMENT. Subsection 1 of section 15.1-30-01 of the North Dakota Century Code is amended and reenacted as follows:

1. The board of a school district may:
 - a. Provide for the transportation of a student to and from school; or
 - b. If acceptable to the student's parent, reimburse the parent for expenses incurred in providing meals and lodging to the student outside the student's home, ~~provided that the reimbursement may not exceed the amount permitted under subsection 4 of section 15.1-27-27.~~

SECTION 22. AMENDMENT. Section 15.1-30-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-05. Schoolbus transportation services - Optional fee. The board of a school district that has not been reorganized may charge a fee for the provision of schoolbus transportation service to students. ~~If the service began before July 1, 1981, the total fees charged may not exceed an amount equal to the difference between the state transportation payment and the lesser of the state average cost for transportation or the district's cost during the preceding school year. If the service started on or after July 1, 1981, the total fees charged may not exceed an amount equal to the difference between the state transportation payment and the school district's cost of transportation during the preceding school year. A district that has not previously provided transportation to students shall base its fees on estimated costs during the first year transportation is provided.~~

SECTION 23. AMENDMENT. Subsection 2 of section 15.1-30-15 of the North Dakota Century Code is amended and reenacted as follows:

2. a. The board of a school district that provides transportation to its students may contract with other local, state, or federal government entities for the joint provision and integration of transportation services to the public.
- b. A contract under this section must provide for the observation of all safety requirements otherwise imposed by law on schoolbuses, on school vehicles, and on schoolbus drivers when students are being transported.
- e. ~~Transportation services to students provided pursuant to this subsection qualify for state transportation aid under chapter 15.1-27. However, no payments may be made from state funds for any costs incurred as a result of a deviation from established schoolbus routes necessitated by a contract pursuant to this subsection.~~

SECTION 24. AMENDMENT. Section 15.1-31-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-05. Open enrollment - Transportation. A school district of residence may provide transportation to a student participating in open enrollment. If a district of residence does not provide transportation to a student participating in open enrollment, transportation may be provided by the admitting district, ~~and the admitting district is then entitled to state payments for the transportation of that student.~~

SECTION 25. AMENDMENT. Section 15.1-31-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-06. Open enrollment - School boards - Standards.

1. The board of each school district shall set standards for the acceptance and denial of applications for admittance under open enrollment as provided in section 15.1-31-01. The standards may address the capacity of a program, class, grade level, or school building. The standards may not address previous academic achievement, participation in extracurricular activities, disabilities, English language proficiency, or previous disciplinary proceedings.
2. A board may also determine that applications for admittance under open enrollment, in accordance with this chapter, will not be considered.
3.
 - a. A school district participating in an open enrollment program may not give or offer to give a student remuneration, or directly exert influence on the student or the student's family, in order to encourage participation in the open enrollment program.
 - b. For purposes of this subsection, directly exerting influence means providing information about the school district to individuals who are not residents of that district unless the information is requested.
 - c. If the members of the board of a school district believe that another school district has violated this subsection, the board may file a complaint with the superintendent of public instruction. Upon receipt of a complaint alleging a violation of this subsection, the superintendent of public instruction shall hold a hearing and accept testimony and evidence regarding the complaint. If the superintendent finds that a school district has violated this subsection, the superintendent may withhold some or all of the ~~transportation~~ state aid payments to which the district would be otherwise entitled for a period of one year from the date of the finding. A decision by the superintendent under this subsection is appealable to the state board of public school education. A decision by the state board of public school education is final.

SECTION 26. AMENDMENT. Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

15.1-32-16. Transportation services - State reimbursement. If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party. ~~The school district is entitled to state reimbursement for the provision of transportation services to the student. If transportation is provided by a student's parent, the superintendent may reimburse the school district only for mileage costs.~~

SECTION 27. TRANSPORTATION GRANTS - DISTRIBUTION.

1. The superintendent of public instruction shall distribute from the grants - state school aid line item in Senate Bill No. 2013, as approved by the fifty-eighth legislative assembly, to each school district in the state an amount equal to the state transportation aid payments received by the school district during the 2001-03 biennium.
2. If two or more school districts reorganize into a single district on or after July 1, 2003, the superintendent of public instruction shall forward to the newly reorganized district an amount equal to the transportation payments received by each of the districts participating in the reorganization during the 2001-03 biennium.
3. If a school district that received transportation payments during the 2001-03 biennium dissolves on or after July 1, 2003, the superintendent of public instruction shall forward a percentage of the amount equal to that which the dissolved district received for transportation aid payments during the 2001-03 biennium to each school district that enrolls students who attended the dissolved school district during its final year of operation.

Each school district eligible for payment under this subsection is entitled to receive that percentage of the total amount payable which is the same as the percentage that the number of district's students who attended the dissolved school district during its final year of operation bears to the total number of students who attended the dissolved school district during its final year of operation.

4. During each year of the 2003-05 biennium, the superintendent of public instruction shall distribute one-half of the payments required by this section to school districts at the same time and in the same manner as required for state aid payments under section 15.1-27-01.

SECTION 28. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying the manner in which elementary and secondary education is funded in this state and the feasibility and desirability of instituting alternative funding methods. If the legislative council conducts this study, the legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 29. APPROPRIATION - REORGANIZATION BONUSES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a reorganization bonus to any school district having a reorganization effective on July 1, 2003, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 30. CONTINGENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS. If the superintendent of public instruction determines that the amount appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 will exceed the total of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent shall distribute the remaining funds as additional per student payments on a prorated basis, according to average daily membership of each school district during the 2004-05 school year.

SECTION 31. CONTINGENT PAYMENTS - TEACHER COMPENSATION REIMBURSEMENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS. If the superintendent of public instruction determines that the amount appropriated for teacher compensation payments in the grants - teacher compensation payments line item in Senate Bill No. 2013 will exceed the total of all statutory obligations for teacher compensation reimbursement payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent shall distribute the remaining funds as additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

SECTION 32. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing supplemental payments to school districts under section 15.1-27-11, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 33. REPEAL. Sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code are repealed.

SECTION 34. EFFECTIVE DATE. Section 3 of this Act is effective for taxable years beginning after December 31, 2003."

Renumber accordingly

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

REPORT OF STANDING COMMITTEE (MINORITY)

SB 2154, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gulleon, Carlson, Glassheim, Kroeber, Warner, Delzer, Bellew, Kerzman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

In lieu of the admendments adopted by the House as printed on pages 1200-1214 of the House Journal, Engrossed Senate Bill No. 2154 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 15.1-07 and a new section to chapter 15.1-12 of the North Dakota Century Code, relating to school district plans and changes and interim funds; to amend and reenact sections 15.1-16-02, 15.1-27-04, 15.1-27-06, 15.1-27-07, 15.1-27-37, and 15.1-27-39 of the North Dakota Century Code, relating to per student payments, weighting factors, teacher compensation, and teacher compensation reimbursement; to provide for a legislative council study; to provide for contingent payments; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

School district demographics - Long-term planning process.

1. Between January first and June thirtieth of every even-numbered year, the board of each school district shall invite the public to participate in a planning process addressing the effects that demographics might have on the district in the ensuing five-year and ten-year periods, and specifically addressing potential effects on:
 - a. Academic, athletic, and extracurricular programs;
 - b. Instructional and administrative staffing;
 - c. Facility needs and utilization; and
 - d. District tax levies.
2. At the conclusion of the planning process, the board shall prepare a report, publish a notice in the official newspaper of the district indicating that the report is available, and make the report available upon request.

SECTION 2. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

High school district - Change to elementary district - Prohibited.

1. Beginning July 2, 2003, a high school district may not become an elementary district.
2. Subsection 1 does not apply to elementary school districts participating in cooperative agreements approved by the superintendent of public instruction.

SECTION 3. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Interim fund.

1. The board of a school district may include in its budget an item to be known as the "interim fund". The interim fund must be carried over to the ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the school district may be legally extended for that portion of the fiscal year prior to the receipt of taxes.
2. The amount in the interim fund may not exceed the lesser of:
 - a. The amount reasonably required to finance the school district for the first nine months of the ensuing fiscal year; or

- b. Fifty percent of the current annual appropriation for all purposes other than debt retirement and appropriations financed from bond sources plus twenty thousand dollars.

SECTION 4. A new section to chapter 15.1-12 of the North Dakota Century Code is created and enacted as follows:

State board of public school education - Approval of elementary districts prohibited. The state board of public school education may not approve any reorganization plan that would result in the creation of an elementary district.

SECTION 5. AMENDMENT. Section 15.1-16-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-16-02. Education factfinding commission - Appointment - Terms - Quorum.

1. The education factfinding commission consists of three members ~~experienced in educational activities, at least one of whom must be a teacher or a retired teacher and at least one of whom must have served as a member of a school board.~~ One member is appointed by the governor, one member is appointed by the superintendent of public instruction, and one member is appointed by the attorney general. The member appointed by the superintendent of public instruction shall serve as the chairman of the commission.
2. The term of each commission member is three years staggered.
3. If a vacancy occurs, the individual who appointed the member to be succeeded shall appoint a new member to serve only the unexpired term of the member to be succeeded.
4. Two members of the commission constitute a quorum.

SECTION 6. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code 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 ~~two~~ four hundred ~~eighty-seven~~ eighty dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand ~~three~~ five hundred ~~forty-seven~~ sixty-nine 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 7. AMENDMENT. Section 15.1-27-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-06. Per student payments - Weighting factors - High school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. Each district having under seventy-five students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.625 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.625 adjusted by eighty-five percent of the difference between 1.625 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
2. Each district having at least seventy-five but fewer than one hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the

factor 1.335 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.335 adjusted by eighty-five percent of the difference between 1.335 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.

3. Each district having at least one hundred fifty but fewer than five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.24 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.24 adjusted by eighty-five percent of the difference between 1.24 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
4. Each district having at least five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.14 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.14 adjusted by eighty-five percent of the difference between 1.14 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
5. Each district having an approved alternative high school education program is entitled to receive the amount of money that results from multiplying the factor in:
 - a. Subsection 1 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if fewer than seventy-five students in average daily membership are enrolled in the alternative education program.
 - b. Subsection 2 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least seventy-five but fewer than one hundred fifty students in average daily membership are enrolled in the alternative education program.
 - c. Subsection 3 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least one hundred fifty but fewer than five hundred fifty students in average daily membership are enrolled in the alternative education program.
 - d. Subsection 4 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least five hundred fifty students in average daily membership are enrolled in the alternative education program.
6. In order to be eligible for enumeration under this section, a student:
 - a. Must have completed the work of the eighth grade;
 - b. Must not have completed the work of the twelfth grade; and

- c. Must be a resident of this state or a nonresident attending a school in this state under the auspices of a foreign student exchange program.

SECTION 8. AMENDMENT. Section 15.1-27-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-07. Per student payments - Weighting factors - Elementary school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1.
 - a. Each district having only a one-room rural school is entitled to receive the amount of money that results from multiplying the factor 1.28 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.28 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through eight in that school, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.28 adjusted by eighty-five percent of the difference between 1.28 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment level provided for in this subdivision is applicable only to the first sixteen students.
 - b. If the one-room rural school has more than sixteen students in average daily membership in grades one through eight, the district in which the school is located is entitled to receive ninety percent of the per student payment provided for in section 15.1-27-04 for each additional student. The district is not entitled to any payment for more than twenty students in average daily membership.
 - c. If a one-room rural school is located in a district having another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six, as provided in this section.
 - d. If a one-room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor for the students in grade seven or eight must be the same as that provided for in subsection 5.
2. Except as provided in subsection 1, each school district having fewer than one hundred students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor 1.09 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.09 adjusted by eighty-five percent of the difference between 1.09 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
3. Each school district having at least one hundred students but fewer than one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .905 adjusted by ~~seventy-five~~ eighty percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is .905 adjusted by eighty-five percent of the difference

between .905 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.

4. Each school district having at least one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .95 adjusted by ~~seventy-five~~ eighty percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is .95 adjusted by eighty-five percent of the difference between .95 and the factor that represents the five-year average cost of the education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.
5. Each school district having students in grades seven and eight is entitled to receive the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades seven and eight in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.01 adjusted by eighty-five percent of the difference between 1.01 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher. The payments provided for in this subsection are not available for students who attend a one-room rural school if that school is the only one in the district that offers educational services to students in grades seven and eight.
6. Each school district having a special education program approved by the director of special education is entitled to receive, for each student who is enrolled in the program and who is at least three years of age but less than the compulsory age for school attendance, the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of special education students in average daily membership in the program who are at least three years of age but less than the compulsory age for school attendance, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is 1.01 adjusted by eighty-five percent of the difference between 1.01 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
7. a. Each school district operating a kindergarten as provided for in section 15.1-22-02 is entitled to receive the amount of money that results from multiplying the factor .50 adjusted by ~~seventy-five~~ eighty percent of the difference between .50 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of kindergarten students in average daily membership in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is .50 adjusted by eighty-five percent of the difference between .50 and the factor that represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.

- b. In order to receive the full per student payment available under this section, a district must operate a kindergarten program that provides the equivalent of ninety full days of classroom instruction during a twelve-month period. A district is entitled to a prorated payment under this section if it operates a kindergarten program of shorter duration.
- 8. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
- 9. Each school district is entitled to receive as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.
- 10. A school district is not entitled to any payments provided for by this chapter unless each teacher employed by the district:
 - a. Holds a teaching license issued by the education standards and practices board; or
 - b. Has been approved to teach by the education standards and practices board.

SECTION 9. AMENDMENT. Section 15.1-27-37 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-37. 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~~ at least maintain the level of compensation of provided to teachers employed by the district during the 2002-03 school year.
- 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~~ whose level of compensation will be at least equal to that provided during the 2002-03 school year; and
 - c. The total amount of ~~the increase in any~~ compensation increases provided to full-time equivalent teachers over the level of compensation provided during the 2002-03 school year.
- 3.
 - a. For the ~~2001-02~~ 2003-04 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~~ 2003.
 - b. For the 2004-05 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, 2004.
 - c. For the ~~2002-03~~ 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, ~~2002~~ 2003, 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.

- d. For the 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, 2004, 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 10. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount. Beginning with the ~~2001-02~~ 2003-04 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 ~~of salary~~ for the contract period equal to at least ~~eighteen~~ twenty-one thousand ~~five hundred~~ dollars. Beginning with the ~~2002-03~~ 2004-05 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~~ twenty-two thousand five hundred dollars.

SECTION 11. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying the manner in which elementary and secondary education is funded in this state and the feasibility and desirability of instituting alternative funding methods. If the legislative council conducts this study, the legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 12. APPROPRIATION - REORGANIZATION BONUSES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a reorganization bonus to any school district having a reorganization effective on July 1, 2003, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 13. CONTINGENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS. If the superintendent of public instruction determines that the amount appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 will exceed the total of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent shall distribute the remaining funds as additional per student payments on a prorated basis, according to average daily membership of each school district during the 2004-05 school year.

SECTION 14. CONTINGENT PAYMENTS - TEACHER COMPENSATION REIMBURSEMENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS. If the superintendent of public instruction determines that the amount appropriated for teacher compensation payments in the grants - teacher compensation payments line item in Senate Bill No. 2013 will exceed the total of all statutory obligations for teacher compensation reimbursement payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent shall distribute the remaining funds as additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

SECTION 15. STATE AID PAYMENTS - INCREASE - TEACHER COMPENSATION. Notwithstanding the provisions of any other law, if a school district receives more in state aid for per student payments and transportation payments during the 2003-05 biennium than the district received for per student payments and transportation payments during the 2001-03 biennium, the district must dedicate an

amount equal to at least seventy percent of the increase for the exclusive purpose of teacher compensation increases.

SECTION 16. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing supplemental payments to school districts under section 15.1-27-11, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 17. EFFECTIVE DATE. Section 3 of this Act is effective for taxable years beginning after December 31, 2003."

Renumber accordingly

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

MOTION

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

MOTION

REP. MONSON MOVED that the House be on the Fifth, Seventh, Ninth, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:15 a.m., Wednesday, April 9, 2003, which motion prevailed.

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

BRADLEY C. FAY, Chief Clerk

