

## JOURNAL OF THE SENATE

## Fifty-ninth Legislative Assembly

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Bismarck, April 1, 2005

The Senate convened at 8:00 a.m., with President Dalrymple presiding.

The prayer was offered by Reverend Steve C. Johnson, Mandan United Methodist, Mandan.

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

A quorum was declared by the President.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT ANNOUNCED** the following appointments to a Conference Committee on HB 1195: Sens. Mutch, Klein, Heitkamp.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT ANNOUNCED** the following appointments to a Conference Committee on HB 1421: Sens. Cook, G. Lee, Fairfield.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. MUTCH MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2204 as printed on SJ page 974 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2204: Sens. Krebsbach, Espegard, Fairfield.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. TRENBEATH MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2274 as printed on SJ pages 1144-1145 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2274: Sens. Mutch, Nething, Bercier.

**MOTION**

**SEN. CHRISTMANN MOVED** that Engrossed SB 2022, as amended, which is on the Twelfth order, be laid over one legislative day, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. FLAKOLL MOVED** that the Senate do concur in the House amendments to Engrossed SB 2371 as printed on SJ page 1148, which motion prevailed on a voice vote.

Engrossed SB 2371, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2371:** A BILL for an Act to create and enact a new section to chapter 19-18 of the North Dakota Century Code, relating to minimum-risk pesticides.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Holmberg; Tallackson

Reengrossed SB 2371 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. HOLMBERG MOVED** that the Senate do concur in the House amendments to Engrossed SB 2017 as printed on SJ pages 1142-1143, which motion prevailed on a voice vote.

Engrossed SB 2017, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2017:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed SB 2017 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. COOK MOVED** that the Senate do concur in the House amendments to SB 2411 as printed on SJ page 1141, which motion prevailed on a voice vote.

SB 2411, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2411:** A BILL for an Act to amend and reenact subsection 5 of section 40-38-11 of the North Dakota Century Code, relating to property tax levies by joint public library services by cities and counties; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Engrossed SB 2411 passed and the title was agreed to.

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#### MOTION

**SEN. CHRISTMANN MOVED** that Engrossed SB 2227, as amended, be placed immediately after SB 2301 on the Twelfth order, which motion prevailed.

#### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. MUTCH MOVED** that the Senate do concur in the House amendments to Engrossed SB 2067 as printed on SJ page 1095, which motion prevailed on a voice vote.

Engrossed SB 2067, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2067:** A BILL for an Act to amend and reenact sections 5-01-08 and 5-02-06 of the North Dakota Century Code, relating to the use of alcohol by a person under twenty-one years of age; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 5 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Taylor; Tollefson; Traynor; Triplett; Urlacher; Wardner; Warner

**NAYS:** Hacker; Holmberg; O'Connell; Thane; Trenbeath

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed SB 2067 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. MUTCH MOVED** that the Senate do concur in the House amendments to Engrossed SB 2186 as printed on SJ page 1088, which motion prevailed on a voice vote.

Engrossed SB 2186, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2186:** A BILL for an Act to create and enact chapter 26.1-25.2 of the North Dakota Century Code, relating to personal insurance loss history information.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed SB 2186 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. FLAKOLL MOVED** that the Senate do concur in the House amendments to Engrossed SB 2280 as printed on SJ pages 1145-1147, which motion prevailed on a voice vote.

Engrossed SB 2280, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2280:** A BILL for an Act to create and enact seventeen new sections to chapter 63-01.1 of the North Dakota Century Code, relating to the control of eradication of noxious weeds and pests; to amend and reenact subsection 1 of section 4-33-11 and sections 63-01.1-01, 63-01.1-02, 63-01.1-03, 63-01.1-03.1, 63-01.1-04, 63-01.1-04.1, 63-01.1-05, 63-01.1-05.1, 63-01.1-06, 63-01.1-08, 63-01.1-09, 63-01.1-10.1, 63-01.1-12, 63-01.1-12.1, 63-01.1-12.2, 63-01.1-13, 63-01.1-14, and 63-01.1-15 of the North Dakota Century Code, relating to the control and eradication of noxious weeds and pests; to repeal section 63-01.1-04.2 of the North Dakota Century Code, relating to pest control by county weed boards; to provide for reports to the legislative council; and to provide a penalty.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed SB 2280 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. J. LEE MOVED** that the Senate do concur in the House amendments to Engrossed SB 2301 as printed on SJ pages 1147-1148, which motion prevailed on a voice vote.

Engrossed SB 2301, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2301:** A BILL for an Act to create and enact one new section to chapter 50-09 of the North Dakota Century Code, relating to child support enforcement; to amend and reenact subsection 3 of section 50-01.2-03.2 and sections 50-03-10 and 50-09-15.1 of the North Dakota Century Code, relating to administration of the child support enforcement program; to provide for a child support enforcement task force; to provide a statement of legislative intent; to provide a continuing appropriation; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 9 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Brown; Christmann; Cook; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner; Warner

**NAYS:** Bercier; Bowman; Fairfield; Heitkamp; Krauter; Mathern; O'Connell; Robinson; Triplett

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed SB 2301 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. URLACHER MOVED** that the Senate do concur in the House amendments to Engrossed SB 2227 as printed on SJ pages 1125-1126, which motion prevailed on a voice vote.

Engrossed SB 2227, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2227:** A BILL for an Act to amend and reenact sections 23-11-01, 23-11-03, 23-11-11, 23-11-14, 23-11-20, 23-11-21, 23-11-23, 23-11-24, and 23-11-29 of the North Dakota Century Code, relating to housing authority jurisdiction.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 34 YEAS, 11 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Hacker; Heitkamp; Holmberg; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; O'Connell; Robinson; Seymour; Taylor; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Christmann; Cook; Grindberg; Kilzer; Kringstad; Mutch; Schobinger; Stenehjem; Syverson; Thane; Tollefson

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed SB 2227 passed and the title was agreed to.

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**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 1, 2005: SB 2006, SB 2073.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolutions were delivered to the Secretary of State for filing on April 1, 2005: SCR 4023, SCR 4034.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2017, SB 2067, SB 2186, SB 2280, SB 2301, SB 2371, and SB 2411.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2227.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2204 and SB 2274 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2204:** Sens. Krebsbach; Espegard; Fairfield

**SB 2274:** Sens. Mutch; Nething; Bercier

**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 1195:** Sens. Mutch; Klein; Heitkamp

**HB 1421:** Sens. Cook; G. Lee; Fairfield

**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 1022, HB 1163, HB 1204, HB 1206, HB 1230, HB 1235, HB 1238, HB 1239, HB 1266, HB 1272, HB 1273, HB 1276, HB 1311, HB 1312, and HB 1313.

**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 1024.

**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 1332 and HB 1397 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1332:** Reps. Kasper; Vigesaa; Ekstrom

**HB 1397:** Reps. Brusegaard; Rennerfeldt; Gulleson

**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 2111:** Reps. Dosch; Nottestad; Amerman

**SB 2174:** Reps. Dosch; Dietrich; Thorpe

**SB 2179:** Reps. Vigesaa; Clark; Thorpe

**SB 2187:** Reps. N. Johnson; Ruby; Thorpe

**SB 2190:** Reps. Nottestad; Clark; Amerman

**SB 2302:** Reps. Maragos; Bernstein; Delmore

**SB 2384:** Reps. Klemin; Koppelman; Onstad

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

**MR. PRESIDENT:** The House has passed and your favorable consideration is requested on: HCR 3059.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, unchanged: SB 2412.

**MOTION**

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

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

**SECOND READING OF HOUSE BILL**

**HB 1189:** A BILL for an Act to create and enact a new subsection to section 20.1-02-05 and a new section to chapter 20.1-02 of the North Dakota Century Code, relating to establishing a private land access program; to provide an appropriation; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 26 YEAS, 19 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Brown; Cook; Espgaard; Every; Fairfield; Flakoll; Freborg; Hacker; Heitkamp; Klein; Krebsbach; Kringstad; Lee, G.; Lindaas; Lyson; Nelson; Nething; Robinson; Taylor; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner

**NAYS:** Andrist; Bowman; Christmann; Erbele; Fischer; Grindberg; Holmberg; Kilzer; Krauter; Lee, J.; Mathern; Mutch; O'Connell; Schobinger; Seymour; Stenehjem; Syverson; Thane; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Engrossed HB 1189, as amended, passed and the title was agreed to.

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**SECOND READING OF HOUSE BILL**

**HB 1153:** A BILL for an Act to amend and reenact section 11 of chapter 535 of the 1999 Session Laws, as amended by section 1 of chapter 559 of the 2001 Session Laws, as amended by section 1 of chapter 549 of the 2003 Session Laws, relating to the issuance of bonds for construction of an outlet from Devils Lake; to amend and reenact sections 61-02.1-01 and 61-02.1-02.1 of the North Dakota Century Code, relating to the water commission's authority to issue bonds for projects; to repeal section 61-02.1-02 of the North Dakota Century Code, relating to bond issuance amount limits; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 43 YEAS, 2 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Andrist; Freborg

**ABSENT AND NOT VOTING:** Dever; Tallackson

Engrossed HB 1153 passed, the title was agreed to, and the emergency clause was declared carried.

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**SECOND READING OF HOUSE BILL**

**HB 1527:** A BILL for an Act to create and enact a new section to chapter 43-51 of the North Dakota Century Code, relating to military service member exceptions to occupational

licensing board license renewal requirements; to provide for application; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjorn; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed HB 1527 passed, the title was agreed to, and the emergency clause was declared carried.

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#### SECOND READING OF HOUSE BILL

**HB 1154:** A BILL for an Act to create and enact a new section to chapter 15.1-07 and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to educational association board compensation and teacher compensation levels; to amend and reenact sections 15.1-07-28, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-37, 15.1-27-40, 15.1-28-03, 15.1-29-02, and 15.1-31-03 of the North Dakota Century Code and section 37 of chapter 667 of the 2003 Session Laws, relating to per student payments, supplemental payments, tuition apportionment, teacher compensation, and contingent payments; to repeal sections 15.1-09-42, 15.1-12-11.1, 15.1-12-11.2, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational meetings, reorganization bonuses, and teacher compensation; to provide for the distribution of transportation grants; to provide for contingent payments; to provide an appropriation; to provide an effective date; and to declare an emergency.

#### MOTION

**SEN. TAYLOR MOVED** that Reengrossed HB 1154, as amended, be further amended as follows:

In lieu of the amendments adopted by the Senate as printed on pages 1000-1016 of the Senate Journal, Reengrossed House Bill No. 1154 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 a new section to chapter 15.1-07 and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to educational association board compensation and teacher compensation levels; to amend and reenact sections 15.1-07-28, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-37, 15.1-27-40, 15.1-28-03, 15.1-29-02, and 15.1-31-03 of the North Dakota Century Code and section 37 of chapter 667 of the 2003 Session Laws, relating to per student payments, supplemental payments, tuition apportionment, teacher compensation, and contingent payments; to repeal sections 15.1-12-11.1, 15.1-12-11.2, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to reorganization bonuses, and teacher compensation; to provide for the distribution of transportation grants; to provide for contingent payments; to provide an appropriation; to provide an effective date; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 15.1-07-28 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-28. Educational association - Joint powers agreement - Approval Review by superintendent of public instruction - Criteria.** ~~Before~~ school districts participating in an educational association governed by a joint powers agreement under chapter 54-40.3 wish to agreement may receive reimbursement for expenses any moneys, as provided in section 15.1-27-40, the school districts must request that the superintendent of public instruction approve their shall review the joint powers

agreement.—In order for the superintendent of public instruction to approve a joint powers agreement, the superintendent shall determine and annually and verify that:

1. a. The participating school districts are contiguous; and
  - b.—(1) The participating in the agreement have:
    - a. A combined total land mass of the participating school districts exceeds ~~four~~ at least five thousand eight hundred square miles [~~4035995~~ 1502193 hectares];
      - (2) The
        - b. A combined total land mass of the participating school districts exceeds ~~two~~ at least four thousand five hundred square miles [~~647497~~ 1165494 hectares] and the participating school districts number at least six twelve; or
          - (3) The
            - c. A combined total land mass of the participating school districts exceeds ~~two~~ at least four thousand five hundred square miles [1035995 hectares] and the total number of have at least three thousand students in average daily membership in the participating school districts exceeds two thousand five hundred.
  2. The joint powers agreement provides that a school district contiguous to any school district already participating in the joint powers agreement may become a participant in the agreement at any time.
  3. The joint powers agreement requires that the participating school districts agree to maintain a joint operating fund, agree to share administrative functions, or agree to implement various common requirements; provided that:
    - a. If the participating school districts agree to establish a joint operating fund, the joint powers agreement must require that during the first school year following approval, the participating school districts shall establish a joint operating fund equal to at least two percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; during the second school year following approval, the participating school districts shall establish a joint operating fund equal to at least four percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; and during the fifth school year following approval, the participating school districts shall establish a joint operating fund equal to at least six percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval;
    - b. If the participating school districts agree to share administrative functions, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall share in the administration of at least three services; during the third school year following approval, all of the participating districts shall share in the administration of at least five services; and during the fifth school year following approval, all of the participating districts shall share in the administration of at least seven services; and that the list from which the participating districts must select the services to be shared consists of:
      - (1) Federal title program management;
      - (2) Staff development;
      - (3) Special education delivery;
      - (4) Curriculum development or delivery;
      - (5) Career and technical education delivery;

- (6) Student instructional support;
  - (7) Media and technology;
  - (8) Business management;
  - (9) Distance learning;
  - (10) Student counseling;
  - (11) Food and nutrition;
  - (12) Facility safety and health;
  - (13) School accreditation and improvement; and
  - (14) Transportation; and
- e. ~~If the participating school districts agree to implement various common requirements, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall implement at least three requirements; during the third school year following approval, all of the participating districts shall implement at least six requirements; and during the fifth school year following approval, all of the participating districts shall implement at least eight requirements; and that the list from which the participating districts must select the requirements to be implemented consists of:~~
- (1) A common school calendar;
  - (2) A common class schedule;
  - (3) A common intranet communication system;
  - (4) A common class registration process for grades seven through twelve;
  - (5) A common curriculum for each grade level from kindergarten through six;
  - (6) A common student data system;
  - (7) A common school improvement and staff development process;
  - (8) Common services, as set forth in a five year plan;
  - (9) A school facilities plan; and
  - (10) ~~Joint funding of dual credit and advance placement courses; or~~
- d. A combined total land mass of at least one thousand five hundred square miles [388498 hectares] and have at least seven thousand five hundred students in average daily membership.
2. The school districts participating in the agreement are contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or educational associations governed by joint powers agreements and without negatively impacting the ability of other school districts or educational associations governed by joint powers agreements from providing sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement requires that the participating school districts maintain a joint operating fund and share various administrative functions and student services in accordance with subsection 4.

4.
  - a. During the first two school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least two administrative functions and two student services, selected by the district.
  - b. During the third and fourth school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least three administrative functions and three student services, selected by the district.
  - c. During the fifth school year in which an educational association governed by a joint powers agreement is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.
  - d. For purposes of this subsection:
    - (1) "Administrative functions" means:
      - (a) Business management;
      - (b) Career and technical education services management;
      - (c) Curriculum mapping or development;
      - (d) Data analysis;
      - (e) Federal program support;
      - (f) Federal title program management;
      - (g) Grant writing;
      - (h) School improvement;
      - (i) School safety and environment management;
      - (j) Special education services management;
      - (k) Staff development;
      - (l) Staff retention and recruitment;
      - (m) Staff sharing;
      - (n) Technology support; and
      - (o) Any other functions approved by the superintendent of public instruction.
    - (2) Student services means:
      - (a) Advanced placement classes;
      - (b) Alternative high schools or alternative high school programs;
      - (c) Career and technical education classes;
      - (d) Counseling services;
      - (e) Common elementary curricula;
      - (f) Distance learning classes;
      - (g) Dual credit classes;

- (h) Foreign language classes;
  - (i) Library and media services;
  - (j) Summer programs;
  - (k) Supplemental instruction programs; and
  - (l) Any other services approved by the superintendent of public instruction.
- e. For purposes of this subsection, if an educational association governed by a joint powers agreement became operational before July 1, 2005, the 2005-06 school year must be considered the association's first year of operation.
5. The joint powers agreement provides:
- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
4. 6. The joint powers agreement provides for the employment and compensation of a chief administrator and other any staff necessary to carry out the provisions of the agreement and the requirements of this section and section 15.1-27-37 Act.
7. The joint powers agreement provides for a governing board that consists only of individuals who serve on the boards of the participating school districts or designees of the respective school board members, provided however that a joint powers agreement may allow for the inclusion of ex officio nonvoting members on the educational association's board.
8. The joint powers agreement provides that the board of the educational association shall meet at least quarterly.
9. The joint powers agreement does not permit the educational association to compensate members of the educational association board for attending meetings of the board and that it does not permit the educational association to reimburse members of the board for any expenses incurred in attending meetings of the educational association board.

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

**Compensation - Reimbursement - Extraordinary service.** The board of an educational association established under section 15.1-07-28 may provide compensation and reimbursement to any board member who, at the direction of the board, performs extraordinary service on behalf of the board. For purposes of this section, "extraordinary service" means duties beyond those reasonably expected of members of the board and includes travel to and attendance at national meetings or conventions.

**SECTION 3. 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 ~~five~~ nine hundred ~~nine~~ dollars. The per student payment to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~six hundred twenty three~~ fifteen 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 4. 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, 2008) 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 fund~~ 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:
  - a. The product of thirty-six mills times the taxable valuation of property in the district;
  - 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; and
  - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. Beginning July 1, 2006, 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~~ three over the number of mills used in determining the product required by that subdivision the previous year.

**(Effective after June 30, 2008) 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 fund~~ 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:
  - a. The product of the number of mills prescribed in subsection 2 times the taxable valuation of property in the district;
  - b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars; and
  - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. 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~~ three over the number of mills used in determining the product required by that subdivision the previous year.

**SECTION 5. 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~~ one hundred twenty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~4.625~~

~~adjusted by 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~~ one hundred twenty but fewer than ~~one~~ three 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 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 three 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 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 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. 4. 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~~ one hundred twenty 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~~ one hundred twenty but fewer than ~~one~~ three 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~~ three 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- 5. 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.
6. In calculating payments under this section and subsections 1 through 4 of section 15.1-27-07, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among all elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

**SECTION 6. 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 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- 1. Except as provided in subsection 1, each 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 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.~~ 2. 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 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 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.~~ 3. 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 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.~~ 4. 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 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.~~ 5. 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 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.~~ 6. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
- ~~9.~~ 7. 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.~~ 8. 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.
- 9. In calculating payments under subsections 1 through 4 and under section 15.1-27-06, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among the elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

**SECTION 7. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. High school districts - Supplemental payments.**

- 1. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:
  - a. The district's latest available net assessed and equalized taxable valuation of property; plus
  - b. All tuition payments and county ~~and unrestricted federal~~ revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.
- 2. ~~If the~~ The superintendent of public instruction shall verify that:
  - a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student and if the;
  - b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;
  - c. The district has a general fund levy of at least one hundred eighty mills; and

- d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent of ~~public instruction~~ shall:
- a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;
  - b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;
  - c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and
  - d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.
- e. 4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.

**SECTION 8. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. Per student payments - Isolated schools.**

1. If an elementary school has fewer than fifty students and fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-07 must be increased by ~~twenty~~ twenty-five percent ~~for the first fifteen students~~. If the school has fewer than fifteen students, the payment received must be for fifteen students.
2. If a high school has fewer than thirty-five students and fifteen percent or more of its students would have to travel beyond a twenty-mile [32.2-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-06 must be increased by ~~twenty~~ twenty-five percent ~~for the first twenty students~~. If the school has fewer than twenty students, the payment received must be for twenty students.

**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 at least maintain the level of compensation provided to teachers employed by the district during the ~~2002-03~~ preceding school year.
2. The claim must include:
  - a. The number of full-time equivalent teachers employed by the district as of September fifteenth of the current school year;

- b. The number of full-time equivalent teachers whose level of compensation will be at least equal to that provided during the ~~2002-03~~ preceding school year; and
  - c. The total amount of any compensation increases provided to full-time equivalent teachers over the level of compensation provided during the ~~2002-03~~ preceding school year.
3. a. For the ~~2003-04~~ 2005-06 school year, the reimbursement provided for in this section may not exceed ~~three~~ two thousand four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, ~~2003~~ 2005. The superintendent of public instruction shall distribute an amount equal to six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2005, in the same manner as per student payments under chapter 15.1-27.
- b. For the ~~2004-05~~ 2006-07 school year, the reimbursement provided for in this section may not exceed ~~three~~ one thousand eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, ~~2004~~ 2006. The superintendent of public instruction shall distribute an amount equal to one thousand two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2006, in the same manner as per student payments under chapter 15.1-27.
- c. For the 2007-08 school year, the reimbursement provided for in this section may not exceed one thousand two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007. The superintendent of public instruction shall distribute an amount equal to one thousand eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007, in the same manner as per student payments under chapter 15.1-27.
- d. For the 2008-09 school year, the reimbursement provided for in this section may not exceed six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008. The superintendent of public instruction shall distribute an amount equal to two thousand four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008, in the same manner as per student payments under chapter 15.1-27.
- e. For the ~~2003-04~~ 2005-06 school year, the reimbursement under this section for each individual employed as of September 15, ~~2003~~ 2005, 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~~ eight hundred dollars. The superintendent of public instruction shall distribute an amount equal to two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2005, in the same manner as per student payments under chapter 15.1-27.
- d. f. For the ~~2004-05~~ 2006-07 school year, the reimbursement under this section for each individual employed as of September 15, ~~2004~~ 2006, 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~~ six hundred dollars. The superintendent of public instruction shall distribute an amount equal to four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2006, in the same manner as per student payments under chapter 15.1-27.
- g. For the 2007-08 school year, the reimbursement under this section for each individual employed as of September 15, 2007, 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 four hundred dollars. The superintendent of public instruction shall distribute an amount equal to six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007, in the same manner as per student payments under chapter 15.1-27.

- h. For the 2008-09 school year, the reimbursement under this section for each individual employed as of September 15, 2008, 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 two hundred dollars. The superintendent of public instruction shall distribute an amount equal to eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008, in the same manner as per student payments under chapter 15.1-27.
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 career 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.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual compensation - Maintenance of prior level.** The amount of compensation paid by the board of a school district to an individual teacher during the 2005-06 school year may not be less than the amount paid to that same teacher during the 2004-05 school year for performing identical services. The amount of compensation paid by the board of a school district to an individual teacher during the 2006-07 school year may not be less than the amount paid to that same teacher during the 2005-06 school year for performing identical services.

**SECTION 11. AMENDMENT.** Section 15.1-27-40 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-40. Approved joint powers agreement - Reimbursement by superintendent of public instruction.**

1. ~~The individual employed as a chief administrator for the purpose of carrying out the provisions of a joint powers agreement and any requirements under section 15.1-07-27 shall~~ executive director of an educational association governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28 shall annually submit to the superintendent of public instruction, at the time and in the manner designated by the superintendent, receipts for expenses incurred during a school year in delivering services and programs under section 15.1-07-27.
2. ~~The superintendent of public instruction, upon verifying the receipts, shall reimburse the chief administrator of the joint powers agreement for any expenses incurred in delivering services and programs under the auspices of the joint powers agreement as provided in section 15.1-07-27. The reimbursement may not exceed the lesser of:~~
- a. ~~The total expenses incurred in delivering services and programs under section 15.1-07-27; or~~
- b. ~~Fifty thousand dollars.~~
3. ~~The chief administrator~~ a report detailing all expenses incurred by the educational association and shall attribute the expenses on a per student basis by participating school district.

2. ~~The executive director shall deposit any moneys received under subsection 2 in the participating districts' by or on behalf of the association into the educational association's joint operating fund.~~
4. ~~The superintendent of public instruction may not provide any reimbursement to a chief administrator under this section unless the joint powers agreement under which the services and programs are delivered has been approved by the superintendent.~~

**SECTION 12. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - ~~Apportionment~~ - Payment.**

1. On or before the third Monday in each ~~January, February, March,~~ April, August, ~~September,~~ October, ~~November,~~ and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. ~~The~~
2. Beginning July 1, 2005, and ending June 30, 2007, the superintendent of public instruction shall apportion:
  - a. Apportion seventy percent of the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law, and pay the amount apportioned to each school district. ~~The superintendent shall make the payments required by this section at the same time as the per student payments required under chapter 15.1-27; and~~
  - b. Distribute thirty percent of the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.
3. Beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction shall:
  - a. Apportion thirty percent of the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law, and pay the amount apportioned to each school district at the same time as the per student payments required under chapter 15.1-27; and
  - b. Distribute seventy percent of the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.
4. Beginning July 1, 2009, and thereafter, the superintendent of public instruction shall distribute all moneys available in the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.

**SECTION 13. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.
2. For purposes of per student payments and tuition ~~apportionment fund~~ payments, a student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.
3. A school district in this state may not agree to accept students from a bordering state unless the tuition payable equals or exceeds the per student payment plus the tuition ~~apportionment fund~~ payment that the

district would have received from this state for a student in the same grade if its student had been attending school in the bordering state.

**SECTION 14. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - Per student aid - Tuition ~~apportionment~~ fund.**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:
  - a. The student graduates;
  - b. The student relocates to another district;
  - c. The student's parent applies for enrollment in another school district; or
  - d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.
2. Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.
3. For purposes of tuition ~~apportionment~~ fund payments, a student whose application is approved under this section is considered a resident of the admitting district.
4. Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 15. AMENDMENT.** Section 37 of chapter 667 of the 2003 Session Laws is amended and reenacted as follows:

**SECTION 37. CONTINGENT PAYMENTS - DISTRIBUTION.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent of public instruction shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall return the first \$759,000 to the state general fund.
2. The superintendent of public instruction shall use the ~~first~~ next \$250,000, or so much of that amount as is necessary, for the purpose of providing reimbursements to the chief administrators of joint powers agreements pursuant to section 19 of this Act.
- ~~2.~~ 3. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to school districts having reorganizations effective after July 1, 2003, and before July 1, 2005. If insufficient moneys exist to fully meet the requirements of this subsection, the superintendent of public instruction shall prorate the payments according to that percentage of the amount available to which a school district is entitled.
- ~~3.~~ 4. The superintendent of public instruction shall use the remainder of the moneys to provide 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 16. TRANSPORTATION GRANTS - DISTRIBUTION.** The superintendent of public instruction shall distribute from the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, an amount equal to the state transportation aid payments distributed during the 2003-05 biennium. The superintendent of public instruction shall calculate the payment to which

each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement for in-city mileage at the rate of fifty cents for schoolbuses having a capacity of ten or more students and reimbursement for vehicles having a capacity of nine or fewer students and transporting students who live outside the incorporated limits of a city at the rate of forty cents per mile. The superintendent of public instruction shall use the latest available student enrollment count in each school district. If insufficient moneys exist to fully meet the requirements of this section, the superintendent of public instruction shall prorate the payments according to the percentage of the amount available to which each school district is entitled. Nothing in this section permits reimbursement for any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 17. CONTINGENCY - RETURN OF MONEYS TO THE GENERAL FUND.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and if section 15 of this Act does not become effective before July 1, 2005, the superintendent of public instruction shall return the first \$759,000 to the state general fund.

**SECTION 18. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 17 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the next \$450,000 of the moneys to provide additional payments to school districts serving English language learners, in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing payments to educational associations governed by joint powers agreements that the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.
3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 19. CONTINGENCY PAYMENTS - TEACHER COMPENSATION - ADDITIONAL PER STUDENT PAYMENTS.** If any moneys appropriated by the legislative assembly to the grants - teacher compensation line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after completion of all statutory obligations, the superintendent of public instruction shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 20. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of contracting to provide transportation efficiency training to school district personnel, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 21. APPROPRIATION.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing funding to eligible educational associations, for the biennium beginning July 1, 2005, and ending June 30, 2007.
2. a. The superintendent of public instruction shall use \$1,360,000, or so much of that sum as is necessary, to assist eligible educational associations with hiring and compensating staff.

- b. The superintendent of public instruction shall use \$590,000, or so much of that sum as is necessary, to provide per student payments during each year of the biennium, to each eligible educational association, based on the number of students in average daily membership in each school district participating in the association.
  - c. The superintendent of public instruction shall use \$50,000, or so much of that sum as is necessary, to reimburse eligible educational associations formed on or after July 1, 2005, for expenses incurred in their formation.
3. No eligible educational association may receive more than \$250,000 under subdivision a of subsection 2 during the biennium.
  4. For purposes of this section, an "eligible" educational association is one that is governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.

**SECTION 22. APPROPRIATION - REORGANIZATION BONUSES - CONTINGENCY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$759,000, 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, 2005, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2005, and ending June 30, 2007. If any moneys remain after the superintendent of public instruction completes the payment of bonuses for any reorganization effective on July 1, 2005, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 23. REPEAL.** Section 15.1-12-11.2 of the North Dakota Century Code is repealed.

**SECTION 24. REPEAL.** Section 15.1-12-11.1 of the North Dakota Century Code is repealed.

**SECTION 25. REPEAL.** Sections 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 26. EFFECTIVE DATE.** Section 24 of this Act becomes effective on December 31, 2005.

**SECTION 27. EFFECTIVE DATE.** Section 25 of this Act becomes effective on July 1, 2009.

**SECTION 28. EMERGENCY.** Section 15 of this Act is declared to be an emergency measure."

Renumber accordingly

#### REQUEST

**SEN. TAYLOR REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed HB 1154, as amended, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed amendments to Reengrossed HB 1154, as amended, the roll was called and there were 18 YEAS, 27 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Brown; Espgaard; Every; Fairfield; Hacker; Heitkamp; Holmberg; Krauter; Lindaas; Mathern; Nelson; O'Connell; Robinson; Seymour; Taylor; Triplett; Warner

**NAYS:** Andrist; Bowman; Christmann; Cook; Erbele; Fischer; Flakoll; Freborg; Grindberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Schobinger; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Dever; Tallackson

The proposed amendments to Reengrossed HB 1154, as amended, failed.

### MOTION

**SEN. KRAUTER MOVED** that Reengrossed HB 1154, as amended, be further amended as follows:

In lieu of the amendments adopted by the Senate as printed on pages 1000-1016 of the Senate Journal, Reengrossed House Bill No. 1154 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 a new section to chapter 15.1-07 and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to educational association board compensation and teacher compensation levels; to amend and reenact sections 15.1-07-28, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-37, 15.1-27-40, 15.1-28-03, 15.1-29-02, and 15.1-31-03 of the North Dakota Century Code and section 37 of chapter 667 of the 2003 Session Laws, relating to per student payments, supplemental payments, tuition apportionment, teacher compensation, and contingent payments; to repeal sections 15.1-09-42, 15.1-12-11.1, 15.1-12-11.2, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational meetings, reorganization bonuses, and teacher compensation; to provide for the distribution of transportation grants; to provide for contingent payments; to provide an appropriation; to provide an effective date; and to declare an emergency.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 15.1-07-28 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-28. Educational association - Joint powers agreement - ~~Approval~~ Review by superintendent of public instruction - Criteria.** ~~If~~ Before school districts participating in an educational association governed by a joint powers agreement ~~under chapter 54-40-3 wish to agreement may receive reimbursement for expenses any moneys, as provided in section 15.1-27-40, the school districts must request that the superintendent of public instruction approve their~~ shall review the joint powers agreement. ~~In order for the superintendent of public instruction to approve a joint powers agreement, the superintendent shall determine and annually~~ and verify that:

1. a. ~~The participating school districts are contiguous; and~~
  - b. ~~(1) The participating in the agreement have:~~
    - a. ~~A combined total land mass of the participating school districts exceeds four at least five thousand eight hundred square miles [4035995 1502193 hectares];~~
      - (2) ~~The~~
      - b. ~~A combined total land mass of the participating school districts exceeds two at least four thousand five hundred square miles [647497 1165494 hectares] and the participating school districts number at least six twelve; or~~
        - (3) ~~The~~
        - c. ~~A combined total land mass of the participating school districts exceeds two at least four thousand five hundred square miles [1035995 hectares] and the total number of have at least three thousand students in average daily membership in the participating school districts exceeds two thousand five hundred.~~
  2. ~~The joint powers agreement provides that a school district contiguous to any school district already participating in the joint powers agreement may become a participant in the agreement at any time.~~
  3. ~~The joint powers agreement requires that the participating school districts agree to maintain a joint operating fund, agree to share administrative functions, or agree to implement various common requirements; provided that:~~

- a. ~~If the participating school districts agree to establish a joint operating fund, the joint powers agreement must require that during the first school year following approval, the participating school districts shall establish a joint operating fund equal to at least two percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; during the second school year following approval, the participating school districts shall establish a joint operating fund equal to at least four percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; and during the fifth school year following approval, the participating school districts shall establish a joint operating fund equal to at least six percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval;~~
- b. ~~If the participating school districts agree to share administrative functions, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall share in the administration of at least three services; during the third school year following approval, all of the participating districts shall share in the administration of at least five services; and during the fifth school year following approval, all of the participating districts shall share in the administration of at least seven services; and that the list from which the participating districts must select the services to be shared consists of:~~
- ~~(1) Federal title program management;~~
  - ~~(2) Staff development;~~
  - ~~(3) Special education delivery;~~
  - ~~(4) Curriculum development or delivery;~~
  - ~~(5) Career and technical education delivery;~~
  - ~~(6) Student instructional support;~~
  - ~~(7) Media and technology;~~
  - ~~(8) Business management;~~
  - ~~(9) Distance learning;~~
  - ~~(10) Student counseling;~~
  - ~~(11) Food and nutrition;~~
  - ~~(12) Facility safety and health;~~
  - ~~(13) School accreditation and improvement; and~~
  - ~~(14) Transportation; and~~
- e. ~~If the participating school districts agree to implement various common requirements, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall implement at least three requirements; during the third school year following approval, all of the participating districts shall implement at least six requirements; and during the fifth school year following approval, all of the participating districts shall implement at least eight requirements; and that the list from which the participating districts must select the requirements to be implemented consists of:~~
- ~~(1) A common school calendar;~~
  - ~~(2) A common class schedule;~~
  - ~~(3) A common intranet communication system;~~

- ~~(4) A common class registration process for grades seven through twelve;~~
  - ~~(5) A common curriculum for each grade level from kindergarten through six;~~
  - ~~(6) A common student data system;~~
  - ~~(7) A common school improvement and staff development process;~~
  - ~~(8) Common services, as set forth in a five year plan;~~
  - ~~(9) A school facilities plan; and~~
  - ~~(10) Joint funding of dual credit and advance placement courses; or~~
- d. A combined total land mass of at least one thousand five hundred square miles [388498 hectares] and have at least seven thousand five hundred students in average daily membership.
2. The school districts participating in the agreement are contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or educational associations governed by joint powers agreements and without negatively impacting the ability of other school districts or educational associations governed by joint powers agreements from providing sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement requires that the participating school districts maintain a joint operating fund and share various administrative functions and student services in accordance with subsection 4.
4. a. During the first two school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least two administrative functions and two student services, selected by the district.
- b. During the third and fourth school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least three administrative functions and three student services, selected by the district.
- c. During the fifth school year in which an educational association governed by a joint powers agreement is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.
- d. For purposes of this subsection:
- (1) "Administrative functions" means:
    - (a) Business management;
    - (b) Career and technical education services management;
    - (c) Curriculum mapping or development;
    - (d) Data analysis;
    - (e) Federal program support;
    - (f) Federal title program management;

- (g) Grant writing;
  - (h) School improvement;
  - (i) School safety and environment management;
  - (j) Special education services management;
  - (k) Staff development;
  - (l) Staff retention and recruitment;
  - (m) Staff sharing;
  - (n) Technology support; and
  - (o) Any other functions approved by the superintendent of public instruction.
- (2) Student services means:
- (a) Advanced placement classes;
  - (b) Alternative high schools or alternative high school programs;
  - (c) Career and technical education classes;
  - (d) Counseling services;
  - (e) Common elementary curricula;
  - (f) Distance learning classes;
  - (g) Dual credit classes;
  - (h) Foreign language classes;
  - (i) Library and media services;
  - (j) Summer programs;
  - (k) Supplemental instruction programs; and
  - (l) Any other services approved by the superintendent of public instruction.
- e. For purposes of this subsection, if an educational association governed by a joint powers agreement became operational before July 1, 2005, the 2005-06 school year must be considered the association's first year of operation.
5. The joint powers agreement provides:
- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
4. 6. The joint powers agreement provides for the employment and compensation of a chief administrator and other any staff necessary to carry out the provisions of the agreement and the requirements of this section and section 15.1 27-37 Act.

7. The joint powers agreement provides for a governing board that consists only of individuals who serve on the boards of the participating school districts or designees of the respective school board members, provided however that a joint powers agreement may allow for the inclusion of ex officio nonvoting members on the educational association's board.
8. The joint powers agreement provides that the board of the educational association shall meet at least quarterly.
9. The joint powers agreement does not permit the educational association to compensate members of the educational association board for attending meetings of the board and that it does not permit the educational association to reimburse members of the board for any expenses incurred in attending meetings of the educational association board.

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

**Compensation - Reimbursement - Extraordinary service.** The board of an educational association established under section 15.1-07-28 may provide compensation and reimbursement to any board member who, at the direction of the board, performs extraordinary service on behalf of the board. For purposes of this section, "extraordinary service" means duties beyond those reasonably expected of members of the board and includes travel to and attendance at national meetings or conventions.

**SECTION 3. 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 ~~five~~ nine hundred ~~nine~~ seventy-one dollars. The per student payment to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~six~~ hundred ~~twenty-three~~ eighty-seven dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

**SECTION 4. 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, 2008) 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~~ fund 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:
  - a. The product of thirty-six mills times the taxable valuation of property in the district;
  - 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; and
  - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. Beginning July 1, 2006, 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~~ three over the number of mills used in determining the product required by that subdivision the previous year.

**(Effective after June 30, 2008) 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 fund~~ 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:
  - a. The product of the number of mills prescribed in subsection 2 times the taxable valuation of property in the district;
  - b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars; and
  - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. 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~~ three over the number of mills used in determining the product required by that subdivision the previous year.

**SECTION 5. 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~~ one hundred twenty 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 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~~ one hundred twenty but fewer than ~~one~~ three 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 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~~ three 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 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 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. 4. 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~~ one hundred twenty 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~~ one hundred twenty but fewer than ~~one~~ three 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~~ three 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.~~ 5. 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.
6. In calculating payments under this section and subsections 1 through 4 of section 15.1-27-07, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among all elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

**SECTION 6. 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 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.~~
  - ~~e. 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. 1. ~~Except as provided in subsection 1, each~~ 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 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. 2. ~~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 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 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. 3. 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 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. 4. 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 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. 5. 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 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. 6. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
9. 7. 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. 8. 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.
9. In calculating payments under subsections 1 through 4 and under section 15.1-27-06, the superintendent of public instruction shall use 1.0 as the

factor that represents the lowest five-year average cost of education among the elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

**SECTION 7. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. High school districts - Supplemental payments.**

1. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:
  - a. The district's latest available net assessed and equalized taxable valuation of property; plus
  - b. All tuition payments and county ~~and unrestricted federal~~ revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.
2. ~~If the~~ The superintendent of public instruction shall verify that:
  - a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student and if the;
  - b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;
  - c. The district has a general fund levy of at least one hundred eighty mills; and
  - d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent ~~of public instruction~~ shall:
  - a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;
  - b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;
  - c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and
  - d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.
- e. 4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.

**SECTION 8. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. Per student payments - Isolated schools.**

1. If an elementary school has fewer than fifty students and fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-07 must be increased by ~~twenty~~ twenty-five percent ~~for the first fifteen students~~. If the school has fewer than fifteen students, the payment received must be for fifteen students.
2. If a high school has fewer than thirty-five students and fifteen percent or more of its students would have to travel beyond a twenty-mile [32.2-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-06 must be increased by ~~twenty~~ twenty-five percent ~~for the first twenty students~~. If the school has fewer than twenty students, the payment received must be for twenty students.

**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 at least maintain the level of compensation provided to teachers employed by the district during the ~~2002-03~~ preceding school year.
2. The claim must include:
  - a. The number of full-time equivalent teachers employed by the district as of September fifteenth of the current school year;
  - b. The number of full-time equivalent teachers whose level of compensation will be at least equal to that provided during the ~~2002-03~~ preceding school year; and
  - c. The total amount of any compensation increases provided to full-time equivalent teachers over the level of compensation provided during the ~~2002-03~~ preceding school year.
3.
  - a. For the ~~2003-04~~ 2005-06 school year, the reimbursement provided for in this section may not exceed ~~three~~ two thousand four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, ~~2003~~ 2005. The superintendent of public instruction shall distribute an amount equal to six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2005, in the same manner as per student payments under chapter 15.1-27.
  - b. For the ~~2004-05~~ 2006-07 school year, the reimbursement provided for in this section may not exceed ~~three~~ one thousand eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, ~~2004~~ 2006. The superintendent of public instruction shall distribute an amount equal to one thousand two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2006, in the same manner as per student payments under chapter 15.1-27.
  - c. For the 2007-08 school year, the reimbursement provided for in this section may not exceed one thousand two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007. The superintendent of public instruction shall distribute an amount equal to one thousand eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007, in the same manner as per student payments under chapter 15.1-27.

- d. For the 2008-09 school year, the reimbursement provided for in this section may not exceed six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008. The superintendent of public instruction shall distribute an amount equal to two thousand four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008, in the same manner as per student payments under chapter 15.1-27.
- e. For the ~~2003-04~~ 2005-06 school year, the reimbursement under this section for each individual employed as of September 15, ~~2003~~ 2005, 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 eight hundred~~ dollars. The superintendent of public instruction shall distribute an amount equal to two hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2005, in the same manner as per student payments under chapter 15.1-27.
- d. f. For the ~~2004-05~~ 2006-07 school year, the reimbursement under this section for each individual employed as of September 15, ~~2004~~ 2006, 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 six hundred~~ dollars. The superintendent of public instruction shall distribute an amount equal to four hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2006, in the same manner as per student payments under chapter 15.1-27.
- g. For the 2007-08 school year, the reimbursement under this section for each individual employed as of September 15, 2007, 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 four hundred dollars. The superintendent of public instruction shall distribute an amount equal to six hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2007, in the same manner as per student payments under chapter 15.1-27.
- h. For the 2008-09 school year, the reimbursement under this section for each individual employed as of September 15, 2008, 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 two hundred dollars. The superintendent of public instruction shall distribute an amount equal to eight hundred dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2008, in the same manner as per student payments under chapter 15.1-27.
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 career 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.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual compensation - Maintenance of prior level.** The amount of compensation paid by the board of a school district to an individual teacher during the 2005-06 school year may not be less than the amount paid to that same teacher during the 2004-05 school year for performing identical services. The amount of compensation paid by the board of a school district to an individual teacher during the 2006-07 school

year may not be less than the amount paid to that same teacher during the 2005-06 school year for performing identical services.

**SECTION 11. AMENDMENT.** Section 15.1-27-40 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-40. Approved joint powers agreement - Reimbursement by superintendent of public instruction.**

1. ~~The individual employed as a chief administrator for the purpose of carrying out the provisions of a joint powers agreement and any requirements under section 15.1-07-27 shall~~ executive director of an educational association governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28 shall annually submit to the superintendent of public instruction, at the time and in the manner designated by the superintendent, ~~receipts for expenses incurred during a school year in delivering services and programs under section 15.1-07-27.~~
2. ~~The superintendent of public instruction, upon verifying the receipts, shall reimburse the chief administrator of the joint powers agreement for any expenses incurred in delivering services and programs under the auspices of the joint powers agreement as provided in section 15.1-07-27. The reimbursement may not exceed the lesser of:~~
  - a. ~~The total expenses incurred in delivering services and programs under section 15.1-07-27; or~~
  - b. ~~Fifty thousand dollars.~~
3. ~~The chief administrator~~ a report detailing all expenses incurred by the educational association and shall attribute the expenses on a per student basis by participating school district.
2. ~~The executive director shall deposit any moneys received under subsection 2 in the participating districts' by or on behalf of the association into the educational association's joint operating fund.~~
4. ~~The superintendent of public instruction may not provide any reimbursement to a chief administrator under this section unless the joint powers agreement under which the services and programs are delivered has been approved by the superintendent.~~

**SECTION 12. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment- Payment.**

1. On or before the third Monday in each ~~January, February, March, April, August, September, October, November,~~ and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. ~~The~~
2. Beginning July 1, 2005, and ending June 30, 2007, the superintendent of public instruction shall apportion:
  - a. Apportion seventy percent of the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law, and pay the amount apportioned to each school district.—The superintendent shall make the payments required by this section at the same time as the per student payments required under chapter 15.1-27; and
  - b. Distribute thirty percent of the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.
3. Beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction shall:

- a. Apportion thirty percent of the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law, and pay the amount apportioned to each school district at the same time as the per student payments required under chapter 15.1-27; and
  - b. Distribute seventy percent of the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.
4. Beginning July 1, 2009, and thereafter, the superintendent of public instruction shall distribute all moneys available in the fund at the same time and in the same manner as per student payments required under chapter 15.1-27.

**SECTION 13. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.
2. For purposes of per student payments and tuition ~~apportionment~~ fund payments, a student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.
3. A school district in this state may not agree to accept students from a bordering state unless the tuition payable equals or exceeds the per student payment plus the tuition ~~apportionment~~ fund payment that the district would have received from this state for a student in the same grade if its student had been attending school in the bordering state.

**SECTION 14. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - Per student aid - Tuition ~~apportionment~~ fund.**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:
  - a. The student graduates;
  - b. The student relocates to another district;
  - c. The student's parent applies for enrollment in another school district; or
  - d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.
2. Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.
3. For purposes of tuition ~~apportionment~~ fund payments, a student whose application is approved under this section is considered a resident of the admitting district.
4. Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 15. AMENDMENT.** Section 37 of chapter 667 of the 2003 Session Laws is amended and reenacted as follows:

**SECTION 37. CONTINGENT PAYMENTS - DISTRIBUTION.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent of public instruction shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall return the first \$759,000 to the state general fund.
2. The superintendent of public instruction shall use the ~~first~~ next \$250,000, or so much of that amount as is necessary, for the purpose of providing reimbursements to the chief administrators of joint powers agreements pursuant to section 19 of this Act.
- ~~2.~~ 3. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to school districts having reorganizations effective after July 1, 2003, and before July 1, 2005. If insufficient moneys exist to fully meet the requirements of this subsection, the superintendent of public instruction shall prorate the payments according to that percentage of the amount available to which a school district is entitled.
- ~~3.~~ 4. The superintendent of public instruction shall use the remainder of the moneys to provide 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 16. TRANSPORTATION GRANTS - DISTRIBUTION.** The superintendent of public instruction shall distribute from the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, an amount equal to the state transportation aid payments distributed during the 2003-05 biennium. The superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement for in-city mileage at the rate of fifty cents for schoolbuses having a capacity of ten or more students and reimbursement for vehicles having a capacity of nine or fewer students and transporting students who live outside the incorporated limits of a city at the rate of forty cents per mile. The superintendent of public instruction shall use the latest available student enrollment count in each school district. If insufficient moneys exist to fully meet the requirements of this section, the superintendent of public instruction shall prorate the payments according to the percentage of the amount available to which each school district is entitled. Nothing in this section permits reimbursement for any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 17. CONTINGENCY - RETURN OF MONEYS TO THE GENERAL FUND.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and if section 15 of this Act does not become effective before July 1, 2005, the superintendent of public instruction shall return the first \$759,000 to the state general fund.

**SECTION 18. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 17 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the next \$450,000 of the moneys to provide additional payments to school districts serving English language learners, in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as is necessary, for the purpose of providing payments to educational associations governed by joint powers

agreements that the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.

3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 19. CONTINGENCY PAYMENTS - TEACHER COMPENSATION - ADDITIONAL PER STUDENT PAYMENTS.** If any moneys appropriated by the legislative assembly to the grants - teacher compensation line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after completion of all statutory obligations, the superintendent of public instruction shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 20. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of contracting to provide transportation efficiency training to school district personnel, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 21. APPROPRIATION.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing funding to eligible educational associations, for the biennium beginning July 1, 2005, and ending June 30, 2007.
2.
  - a. The superintendent of public instruction shall use \$1,360,000, or so much of that sum as is necessary, to assist eligible educational associations with hiring and compensating staff.
  - b. The superintendent of public instruction shall use \$590,000, or so much of that sum as is necessary, to provide per student payments during each year of the biennium, to each eligible educational association, based on the number of students in average daily membership in each school district participating in the association.
  - c. The superintendent of public instruction shall use \$50,000, or so much of that sum as is necessary, to reimburse eligible educational associations formed on or after July 1, 2005, for expenses incurred in their formation.
3. No eligible educational association may receive more than \$250,000 under subdivision a of subsection 2 during the biennium.
4. For purposes of this section, an "eligible" educational association is one that is governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.

**SECTION 22. APPROPRIATION - REORGANIZATION BONUSES - CONTINGENCY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$759,000, 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, 2005, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2005, and ending June 30, 2007. If any moneys remain after the superintendent of public instruction completes the payment of bonuses for any reorganization effective on July 1, 2005, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

**SECTION 23. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of state school aid per student payments in addition to

other funds available for that purpose, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 24. PERMANENT OIL TAX TRUST FUND TRANSFER TO STATE GENERAL FUND.** The director of the office of management and budget and the state treasurer shall transfer funds from the permanent oil tax trust fund to the general fund in the amount of \$15,000,000 during the biennium ending June 30, 2007. The moneys shall be transferred in the amounts and at such times as requested by the director of the office of management and budget.

**SECTION 25. REPEAL.** Sections 15.1-09-42 and 15.1-12-11.2 of the North Dakota Century Code are repealed.

**SECTION 26. REPEAL.** Section 15.1-12-11.1 of the North Dakota Century Code is repealed.

**SECTION 27. REPEAL.** Sections 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 28. EFFECTIVE DATE.** Section 26 of this Act becomes effective on December 31, 2005.

**SECTION 29. EFFECTIVE DATE.** Section 27 of this Act becomes effective on July 1, 2009.

**SECTION 30. EMERGENCY.** Section 15 of this Act is declared to be an emergency measure."

Renumber accordingly

#### REQUEST

**SEN. KRAUTER REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed HB 1154, as amended, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed amendments to Reengrossed HB 1154, as amended, the roll was called and there were 14 YEAS, 31 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Nelson; O'Connell; Robinson; Seymour; Taylor; Triplett; Warner

**NAYS:** Andrist; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Schobinger; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Dever; Tallackson

The proposed amendments to Reengrossed HB 1154, as amended, failed.

#### 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 44 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** O'Connell

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed HB 1154, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF AMENDMENTS**

**HB 1013, as engrossed: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 1192-1197 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation to the division of independent study; to provide for the distribution of special education payments; to provide for a legislative council study; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Tallackson

Engrossed HB 1013, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF AMENDMENTS**

**HB 1181, as reengrossed and amended: SEN. ANDRIST (Appropriations Committee) MOVED** that the amendments on SJ page 1197 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion failed on a verification vote.

**SECOND READING OF HOUSE BILL**

**HB 1181:** A BILL for an Act to amend and reenact section 50-24.1-02.3 of the North Dakota Century Code, relating to funds designated for funeral expenses and eligibility for medical assistance; and to direct the department of human services to seek a waiver.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Fischer; Holmberg; Syverson

**ABSENT AND NOT VOTING:** Dever; Tallackson

Reengrossed HB 1181, as amended, passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**HB 1003, as engrossed: SEN. KRINGSTAD (Appropriations Committee) MOVED** that the amendments on SJ pages 1186-1189 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1003:** A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to provide an appropriation for defraying the expenses of the racing commission; to provide an exemption; to provide for racing commission expenses; to provide a statement of legislative intent; to provide for duties of the attorney general; to provide for a salary equity review and recommendation; to amend section 54-12-11 of

the North Dakota Century Code, relating to the salary of the attorney general; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Cook

**ABSENT AND NOT VOTING:** Dever; Robinson; Tallackson

Engrossed HB 1003, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### CONSIDERATION OF AMENDMENTS

**HB 1006, as reengrossed: SEN. SCHOBINGER (Appropriations Committee) MOVED** that the amendments on SJ pages 1189-1190 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1006:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit; to provide for a transfer; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; and to authorize the tax commissioner to enter into a financing agreement to establish an integrated tax system.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Robinson; Tallackson

Reengrossed HB 1006, as amended, passed and the title was agreed to.

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#### CONSIDERATION OF AMENDMENTS

**HB 1009, as engrossed: SEN. KRAUTER (Appropriations Committee) MOVED** that the amendments on SJ pages 1190-1192 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1009:** A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact sections 4-01-21, 4-22-22, 4-37-03, 4-37-04, and 19-18-04 of the North Dakota Century Code, relating to the salary of the agriculture commissioner, compensation of supervisors of soil conservation districts, the agriculture in the classroom program, and pesticide registration fees; to provide a contingent appropriation; and to provide for transfers.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christmann; Cook; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer;

Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Dever; Robinson; Tallackson

Engrossed HB 1009, as amended, passed and the title was agreed to.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, unchanged: HB 1153, HB 1527.

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

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1006, HB 1009, HB 1181, HB 1189, HB 1470.

**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 1003, HB 1013, HB 1154.

**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 1121, HB 1321, HB 1325, HB 1326, HB 1333, HB 1337, and HB 1344.

**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 1004 and HB 1230 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1004:** Reps. Skarphol; Monson; Glassheim

**HB 1230:** Reps. Haas; Hawken; Mueller

**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 1346 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1346:** Reps. Klemin; DeKrey; Delmore

**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 2003, SB 2014.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003**

Page 1, line 3, replace "a report" with "reports"

Page 1, line 4, replace "performance audit of the university of North Dakota school of medicine" with "legislative council study; to amend and reenact section 15-62.2-01 of the North Dakota Century Code, relating to student financial assistance grants"

Page 1, line 5, remove "and health sciences"

Page 5, line 11, replace "1,130,634" with "1,214,694"

Page 5, line 12, replace "1,047,862" with "1,045,572"

Page 5, line 13, replace "(4,115,556)" with "(4,526,546)"

Page 5, after line 13, insert:

"Operations pool	(189,858)
Equity pool	2,000,000"

Page 5, line 16, replace "1,846,073" with "574,187"

Page 5, line 17, replace "35,480" with "186,480"

Page 5, line 21, replace "\$1,002,386" with "\$642,350"

Page 5, line 23, replace "515,845" with "875,881"

Page 5, line 26, replace "769,695" with "753,221"

Page 5, line 28, replace "(\$519,024)" with "(\$535,498)"

Page 5, line 30, replace "763,176" with "746,702"

Page 6, line 2, replace "361,425" with "357,307"

Page 6, line 4, replace "329,131" with "325,013"

Page 6, line 6, replace "704,131" with "700,013"

Page 6, line 9, replace "371,523" with "365,626"

Page 6, line 10, replace "6,907,685" with "8,047,685"

Page 6, line 11, replace "7,279,208" with "8,413,311"

Page 6, line 12, replace "6,910,000" with "7,960,000"

Page 6, line 13, replace "369,208" with "453,311"

Page 6, line 16, replace "8,070,453" with "8,178,476"

Page 6, line 18, replace "9,108,862" with "9,216,885"

Page 6, line 20, replace "8,008,862" with "8,116,885"

Page 6, line 23, replace "8,290,440" with "8,227,691"

Page 6, line 25, replace "(\$17,754,865)" with "(\$17,817,614)"

Page 6, line 27, replace "8,245,135" with "8,182,386"

Page 6, line 30, replace "1,072,000" with "1,050,004"

Page 6, line 31, replace "(3,320,168)" with "(1,620,168)"

Page 7, line 1, replace "(\$2,248,168)" with "(\$570,164)"

Page 7, line 2, replace "(3,300,000)" with "(1,600,000)"

Page 7, line 3, replace "1,051,832" with "1,029,836"

Page 7, line 6, replace "1,006,685" with "1,112,796"

Page 7, line 8, replace "(\$4,885,634)" with "(\$4,779,523)"

Page 7, line 10, replace "996,413" with "1,102,524"

Page 7, line 13, replace "409,157" with "401,295"

Page 7, line 14, replace "(4,060,595)" with "(3,910,595)"

Page 7, line 15, replace "(\$3,651,438)" with "(\$3,509,300)"

Page 7, line 17, replace "353,562" with "495,700"

Page 7, line 20, replace "1,469,553" with "1,446,271"

Page 7, line 21, replace "3,519,020" with "3,599,020"

Page 7, line 22, replace "4,988,573" with "5,045,291"

Page 7, line 24, replace "1,453,573" with "1,510,291"

Page 7, line 27, replace "512,599" with "501,854"

Page 7, line 29, replace "\$3,297,619" with "\$3,308,364"

Page 7, line 31, replace "755,681" with "744,936"

Page 8, line 3, replace "235,629" with "231,604"

Page 8, line 5, replace "3,635,691" with "3,631,666"

Page 8, line 7, replace "135,691" with "131,666"

Page 8, line 10, replace "1,209,963" with "1,195,137"

Page 8, line 11, replace "1,209,963" with "1,195,137"

Page 8, line 15, replace "213,000" with "210,630"

Page 8, line 16, replace "168,577" with "166,207"

Page 8, line 18, replace "283,577" with "281,207"

Page 8, line 19, replace "24,846,649" with "25,566,475"

Page 8, line 20, replace "\$31,485,778" with "\$28,735,778"

Page 8, line 21, replace "\$6,639,129" with "\$3,169,303"

Page 9, line 3, after "initiatives" insert "- New" and replace "1,615,940" with "1,700,000"

Page 9, line 4, replace "5,520,712" with "5,518,422"

Page 9, line 6, replace "20,974,083" with "20,563,093"

Page 9, line 7, replace "578,417" with "388,559"

Page 9, after line 7, insert:  
"Equity pool

2,000,000"

Page 9, line 10, replace "4,776,288" with "3,504,402"

Page 9, line 11, replace "1,713,780" with "1,864,780"

Page 9, line 15, replace "59,471,851" with "59,831,887"

Page 9, line 17, replace "57,134,575" with "57,494,611"

Page 9, line 20, replace "16,882,022" with "16,865,548"

Page 9, line 22, replace "17,628,303" with "17,611,829"

Page 9, line 24, replace "17,125,503" with "17,109,029"

Page 9, line 27, replace "5,394,107" with "5,389,989"

Page 9, line 29, replace "5,781,644" with "5,777,526"

Page 10, line 1, replace "5,758,894" with "5,752,997"

Page 10, line 2, replace "6,996,475" with "8,136,475"

Page 10, line 3, replace "12,755,369" with "13,889,472"

Page 10, line 4, replace "6,910,000" with "7,960,000"

Page 10, line 5, replace "5,845,369" with "5,929,472"

Page 10, line 8, replace "92,628,579" with "92,736,602"

Page 10, line 10, replace "149,329,124" with "149,437,147"

Page 10, line 12, replace "94,929,124" with "95,037,147"

Page 10, line 15, replace "75,867,399" with "75,804,650"

Page 10, line 17, replace "77,559,625" with "77,496,876"

Page 10, line 20, replace "25,008,824" with "24,986,828"

Page 10, line 21, replace "1,122,252" with "2,822,252"

Page 10, line 22, replace "26,131,076" with "27,809,080"

Page 10, line 23, replace "368,920" with "2,068,920"

Page 10, line 24, replace "25,762,156" with "25,740,160"

Page 10, line 27, replace "14,605,516" with "14,711,627"

Page 10, line 29, replace "19,989,206" with "20,095,317"

Page 10, line 31, replace "14,989,206" with "15,095,317"

Page 11, line 3, replace "9,011,492" with "9,003,630"

Page 11, line 4, replace "1,708,994" with "1,858,994"

Page 11, line 5, replace "10,720,486" with "10,862,624"

Page 11, line 7, replace "9,220,486" with "9,362,624"

Page 11, line 10, replace "27,239,131" with "27,215,849"

Page 11, line 11, replace "4,131,870" with "4,211,870"

Page 11, line 12, replace "31,371,001" with "31,427,719"

Page 11, line 14, replace "27,836,001" with "27,892,719"

Page 11, line 17, replace "11,817,271" with "11,806,526"

Page 11, line 19, replace "12,357,687" with "12,346,942"

Page 11, line 21, replace "12,325,687" with "12,314,942"

Page 11, line 24, replace "4,338,485" with "4,334,460"

Page 11, line 26, replace "7,948,210" with "7,944,185"

Page 11, line 28, replace "4,448,210" with "4,444,185"

Page 12, line 1, replace "31,375,828" with "31,361,002"

Page 12, line 2, replace "31,375,828" with "31,361,002"

Page 12, line 6, replace "2,928,016" with "2,925,646"

Page 12, line 7, replace "3,029,654" with "3,027,284"

Page 12, line 9, replace "2,054,653" with "2,052,283"

Page 12, line 10, replace "386,388,067" with "387,107,893"

Page 12, line 11, replace "79,060,997" with "81,810,997"

Page 12, line 12, replace "465,449,064" with "468,918,890"

Page 12, line 13, replace "386,388,067" with "387,282,893"

Page 12, line 14, replace "162,403,497" with "165,153,497"

Page 12, line 15, replace "548,791,564" with "552,436,390"

Page 12, line 16, after "INITIATIVES" insert "- NEW" and replace "\$1,615,940" with "\$1,700,000"

Page 13, replace lines 12 through 16 with:

**"SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of \$2,000,000, or so much of the sum as may be necessary, included in the equity pool line item in subdivision 1 of section 3 of this Act, must be used to address equity at higher education institutions as determined by the state board of higher education. The state board of higher education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the budget section regarding the allocation of the equity pool. Funding allocations may be used as determined by the institutions but the allocations must be considered equity for budgetary purposes."

Page 13, line 17, after "The" insert "sum of \$150,000 of the"

Page 13, line 18, replace the comma with "must be allocated to private baccalaureate degree-granting institutions offering doctorate programs for doctoral incentives. The remainder of the funding"

Page 13, line 31, after the period insert "Twenty-five percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

Page 15, remove lines 26 through 31

Page 16, remove lines 1 and 2

Page 17, after line 17, insert:

**"SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY INSTITUTE.** The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a building on the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other private funds.

**SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS.** It is the intent of the fifty-ninth legislative assembly that the state board of higher education consider allowing related faculty members and practicing professionals in the related fields in the state to assist in the selection of students awarded funding through the student exchange program and consider investigating options of entering contracts with other higher education institutions for providing opportunities for students to complete professional fields of study not offered through the North Dakota university system, specifically other institutions granting professional degrees targeting critical shortages in large animal veterinary practice.

**SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING AND ACCOUNTABILITY.** The legislative council shall consider studying higher education funding and accountability during the 2005-06 interim. If conducted, the study should include a review of the progress made in implementing the higher education roundtable recommendations relating to the university system meeting the state's expectations and needs, the funding methodology needed to meet these expectations and needs, and the appropriate accountability and reporting system for the North Dakota university system. The review should include an independent consultant's evaluation of:

1. The roundtable recommendations and the goals and objectives of the North Dakota university system;
2. The long-term financing plan for the North Dakota university system, including a review of the peer institutions selected and updated funding comparisons;
3. The North Dakota university system's prioritization of higher education funding, including the resource allocation mechanism addressing equity funding issues and the funding for initiatives at North Dakota's colleges and universities; and

## 4. The accountability mechanisms.

The study should be conducted and the consultant selected with input from the state board of higher education. The independent consultant selected to do the evaluation shall possess a national reputation and experience in higher education governance and funding and management in multicampus public university systems.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 24. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$175,000 or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and ending June 30, 2007. The legislative council may receive any other funds available for conducting the study and such funds are hereby appropriated.

**SECTION 25. AMENDMENT.** Section 15-62.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**15-62.2-01. Student financial assistance and scholars programs - Establishment - Administrative responsibility.** The North Dakota student financial assistance and scholars programs are established to provide grants or scholarships, or both, to assist the following students:

1. Resident undergraduate students pursuant to section 15-10-19.1.
2. North Dakota resident students who have attended and graduated from a high school in a bordering state pursuant to section 15-40.2-10, who are attending qualified institutions of postsecondary education within North Dakota.
3. North Dakota resident students who, because of physical or mental handicap as certified by a physician, are attending postsecondary institutions out of state due to the lack of special services or facilities, or both, necessary to meet the postsecondary educational needs of the handicapped students within North Dakota.
4. Scholars who qualify and are selected for scholarships pursuant to sections 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

A student must be in substantial need of financial assistance to receive grants under the student financial assistance program. The state board of higher education shall administer the student financial assistance program and the scholars program. At least twenty-five percent of the funds appropriated for the student financial assistance program must be allocated to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and American Indian institutions."

Page 17, line 18, after "assets" insert ", professional student exchange program,"

Page 17, line 19, replace "20" with "19"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Summary of House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Legislative Council				
Total all funds	\$0	\$0	\$175,000	\$175,000
Less estimated income				
General fund	\$0	\$0	\$175,000	\$175,000
University System office				
Total all funds	\$387,926,815	\$59,471,851	\$360,036	\$59,831,887

Less estimated income	2,337,276	2,337,276		2,337,276
General fund	\$385,589,539	\$57,134,575	\$360,036	\$57,494,611
<b>Bismarck State College</b>				
Total all funds	\$2,302,800	\$20,870,803	(\$16,474)	\$20,854,329
Less estimated income	<u>2,302,800</u>	3,745,300		3,745,300
General fund	\$0	\$17,125,503	(\$16,474)	\$17,109,029
<b>Lake Region State College</b>				
Total all funds	\$343,875	\$5,781,644	(\$4,118)	\$5,777,526
Less estimated income				
General fund	<u>\$343,875</u>	<u>\$5,781,644</u>	<u>(\$4,118)</u>	<u>\$5,777,526</u>
<b>Williston State College</b>				
Total all funds	\$6,910,000	\$12,755,369	\$1,134,103	\$13,889,472
Less estimated income	<u>6,910,000</u>	6,910,000	1,050,000	7,960,000
General fund	\$0	\$5,845,369	\$84,103	\$5,929,472
<b>University of North Dakota</b>				
Total all funds	\$54,331,554	\$190,429,124	\$108,023	\$190,537,147
Less estimated income	<u>54,331,554</u>	95,500,000		95,500,000
General fund	\$0	\$94,929,124	\$108,023	\$95,037,147
<b>UND Medical Center</b>				
Total all funds	\$0	\$31,375,828	(\$14,826)	\$31,361,002
Less estimated income				
General fund	<u>\$0</u>	<u>\$31,375,828</u>	<u>(\$14,826)</u>	<u>\$31,361,002</u>
<b>North Dakota State University</b>				
Total all funds	\$34,000,000	\$111,559,625	(\$62,749)	\$111,496,876
Less estimated income	<u>34,000,000</u>	34,000,000		34,000,000
General fund	\$0	\$77,559,625	(\$62,749)	\$77,496,876
<b>State College of Science</b>				
Total all funds	\$368,920	\$26,131,076	\$1,678,004	\$27,809,080
Less estimated income	<u>368,920</u>	368,920	1,700,000	2,068,920
General fund	\$0	\$25,762,156	(\$21,996)	\$25,740,160
<b>Dickinson State University</b>				
Total all funds	\$5,000,000	\$19,989,206	\$106,111	\$20,095,317
Less estimated income	<u>5,000,000</u>	5,000,000		5,000,000
General fund	\$0	\$14,989,206	\$106,111	\$15,095,317
<b>Mayville State University</b>				
Total all funds	\$1,500,000	\$10,720,486	\$142,138	\$10,862,624
Less estimated income	<u>1,500,000</u>	1,500,000		1,500,000
General fund	\$0	\$9,220,486	\$142,138	\$9,362,624
<b>Minot State University</b>				
Total all funds	\$3,535,000	\$36,371,001	\$56,718	\$36,427,719
Less estimated income	<u>3,535,000</u>	8,535,000		8,535,000
General fund	\$0	\$27,836,001	\$56,718	\$27,892,719
<b>Valley City State University</b>				
Total all funds	\$282,000	\$12,357,687	(\$10,745)	\$12,346,942
Less estimated income	<u>32,000</u>	32,000		32,000
General fund	\$250,000	\$12,325,687	(\$10,745)	\$12,314,942
<b>Minot State University - Bottineau</b>				
Total all funds	\$0	\$7,948,210	(\$4,025)	\$7,944,185
Less estimated income		3,500,000		3,500,000
General fund	<u>\$0</u>	<u>\$4,448,210</u>	<u>(\$4,025)</u>	<u>\$4,444,185</u>
<b>Forest Service</b>				
Total all funds	\$3,029,654	\$3,029,654	(\$2,370)	\$3,027,284
Less estimated income	<u>975,001</u>	975,001		975,001
General fund	\$2,054,653	\$2,054,653	(\$2,370)	\$2,052,283
<b>Bill Total</b>				
Total all funds	\$499,530,618	\$548,791,564	\$3,644,826	\$552,436,390
Less estimated income	<u>111,292,551</u>	<u>162,403,497</u>	<u>2,750,000</u>	<u>165,153,497</u>
General fund	\$388,238,067	\$386,388,067	\$894,826	\$387,282,893

**Senate Bill No. 2003 - Legislative Council - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			\$175,000	\$175,000
Total all funds	\$0	\$0	\$175,000	\$175,000
Less estimated income				
General fund	\$0	\$0	\$175,000	\$175,000
FTE	0.00	0.00	0.00	0.00

**Dept. 160 - Legislative Council - Detail of House Changes**

	PROVIDES FUNDING FOR A HIGHER EDUCATION STUDY 1	TOTAL HOUSE CHANGES
Operating expenses	\$175,000	\$175,000
Total all funds	\$175,000	\$175,000
Less estimated income		
General fund	\$175,000	\$175,000

FTE 0.00 0.00

<sup>1</sup> This amendment provides for a Legislative Council study of higher education funding and accountability and provides a \$175,000 general fund appropriation to the Legislative Council for the purpose of conducting the study.

**Senate Bill No. 2003 - General Fund Summary**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	\$385,589,539	\$57,134,575	\$360,036	\$57,494,611
Bismarck State College		17,125,503	(16,474)	17,109,029
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College		5,845,369	84,103	5,929,472
University of North Dakota		94,929,124	108,023	95,037,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University		77,559,625	(62,749)	77,496,876
State College of Science		25,762,156	(21,996)	25,740,160
Dickinson State University		14,989,206	106,111	15,095,317
Mayville State University		9,220,486	142,138	9,362,624
Minot State University		27,836,001	56,718	27,892,719
Valley City State University	250,000	12,325,687	(10,745)	12,314,942
Minot State University - Bottineau		4,448,210	(4,025)	4,444,185
Forest Service	<u>2,054,653</u>	<u>2,054,653</u>	<u>(2,370)</u>	<u>2,052,283</u>
Total general fund	\$388,238,067	\$386,388,067	\$719,826	\$387,107,893

**Detail of House Changes to the General Fund**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES 1	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	(\$13,280)	(\$185,000)	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					
Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	<u>(2,370)</u>					
Total general fund	(\$278,316)	\$0	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)

	INCREASES FUNDING FOR PROFESSIONAL STUDENT EXCHANGE PROGRAM <sup>2</sup>	PROVIDES FUNDING FOR AN EQUITY POOL <sup>3</sup>	INCREASES FUNDING FOR OPERATIONS <sup>4</sup>	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS <sup>5</sup>	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT <sup>6</sup>	TOTAL GENERAL FUND CHANGES
University System office	\$151,000	\$2,000,000				\$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				\$90,000		84,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science						(21,996)
Dickinson State University			\$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						<u>(2,370)</u>
Total general fund	\$151,000	\$2,000,000	\$119,826	\$320,000	\$0	\$719,826

**Senate Bill No. 2003 - Other Funds Summary**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	\$2,337,276	\$2,337,276		\$2,337,276
Bismarck State College	2,302,800	3,745,300		3,745,300
Lake Region State College				
Williston State College	6,910,000	6,910,000	\$1,050,000	7,960,000
University of North Dakota	54,331,554	95,500,000		95,500,000
UND Medical Center				
North Dakota State University	34,000,000	34,000,000		34,000,000
State College of Science	368,920	368,920	1,700,000	2,068,920
Dickinson State University	5,000,000	5,000,000		5,000,000
Mayville State University	1,500,000	1,500,000		1,500,000
Minot State University	3,535,000	8,535,000		8,535,000
Valley City State University	32,000	32,000		32,000
Minot State University - Bottineau		3,500,000		3,500,000

Bottineau				
Forest Service	975,001	975,001		975,001
Total other funds	\$111,292,551	\$162,403,497	\$2,750,000	\$165,153,497

**Detail of House Changes to Other Funds**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES 1	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0

	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM 2	PROVIDES FUNDING FOR AN EQUITY POOL 3	INCREASES FUNDING FOR OPERATIONS 4	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS 5	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT 6	TOTAL OTHER FUNDS CHANGES
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota					\$1,050,000	\$1,050,000
UND Medical Center						
North Dakota State University						
State College of Science					1,700,000	1,700,000
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$2,750,000	\$2,750,000

**Senate Bill No. 2003 - All Funds Summary**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
University System office	\$387,926,815	\$59,471,851	\$360,036	\$59,831,887
Bismarck State College	2,302,800	20,870,803	(16,474)	20,854,329
Lake Region State College	343,875	5,781,644	(4,118)	5,777,526
Williston State College	6,910,000	12,755,369	1,134,103	13,889,472
University of North Dakota	54,331,554	190,429,124	108,023	190,537,147
UND Medical Center		31,375,828	(14,826)	31,361,002
North Dakota State University	34,000,000	11,559,625	(62,749)	11,437,251
State College of Science	368,920	26,131,076	1,678,004	27,809,080
Dickinson State University	5,000,000	19,989,206	106,111	20,095,317
Mayville State University	1,500,000	10,720,486	142,138	10,862,624
Minot State University	3,535,000	36,371,001	56,718	36,427,719
Valley City State University	282,000	12,357,687	(10,745)	12,346,942
Minot State University - Bottineau		7,948,210	(4,025)	7,944,185
Forest Service	3,029,654	3,029,654	(2,370)	3,027,284
Total all funds	\$499,530,618	\$548,791,564	\$3,469,826	\$552,261,390
FTE	2196.67	2196.67	1.00	2197.67

**Detail of House Changes to All Funds**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REALLOCATES FUNDING FOR BOARD INITIATIVES 1	INCREASES FUNDING FOR BOARD INITIATIVES	DECREASES FUNDING FOR COMMON INFORMATION SERVICES	DECREASES FUNDING FOR OPERATIONS POOL	DECREASES FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS
University System office	(\$13,280)	(\$185,000)	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)
Bismarck State College	(16,474)					
Lake Region State College	(4,118)					
Williston State College	(5,897)					
University of North Dakota	(76,977)	185,000				
UND Medical Center	(14,826)					
North Dakota State University	(62,749)					
State College of Science	(21,996)					
Dickinson State University	(13,715)					

Mayville State University	(7,862)					
Minot State University	(23,282)					
Valley City State University	(10,745)					
Minot State University - Bottineau	(4,025)					
Forest Service	(2,370)					
Total all funds	(\$278,316)	\$0	\$269,060	(\$400,000)	(\$189,858)	(\$1,271,886)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	INCREASES FUNDING FOR THE PROFESSIONAL STUDENT EXCHANGE PROGRAM <sup>2</sup>	PROVIDES FUNDING FOR AN EQUITY POOL <sup>3</sup>	INCREASES FUNDING FOR OPERATIONS <sup>4</sup>	PROVIDES FUNDING FOR EXTRAORDINARY REPAIRS <sup>5</sup>	PROVIDES FUNDING FOR A MAJOR CAPITAL PROJECT <sup>6</sup>	TOTAL ALL FUNDS CHANGES
University System office	\$151,000	\$2,000,000				\$360,036
Bismarck State College						(16,474)
Lake Region State College						(4,118)
Williston State College				\$90,000	\$1,050,000	1,134,103
University of North Dakota						108,023
UND Medical Center						(14,826)
North Dakota State University						(62,749)
State College of Science					1,700,000	1,678,004
Dickinson State University			\$119,826			106,111
Mayville State University				150,000		142,138
Minot State University				80,000		56,718
Valley City State University						(10,745)
Minot State University - Bottineau						(4,025)
Forest Service						(2,370)
Total all funds	\$151,000	\$2,000,000	\$119,826	\$320,000	\$2,750,000	\$3,469,826
FTE	0.00	0.00	1.00	0.00	0.00	1.00

<sup>1</sup> This amendment reduces the board initiatives line item by \$185,000 and increases the University of North Dakota's operations line by \$185,000 relating to the North Dakota University System's Arts and Humanities Summit (\$10,000) and Alcohol Consortium (\$175,000) which the University of North Dakota acts as the fiscal agent.

<sup>2</sup> This amendment increases funding for the professional student exchange program by \$151,000 from the general fund to fund 3 additional veterinary medicine slots.

<sup>3</sup> This amendment provides a \$2,000,000 general fund appropriation for an equity pool to be allocated to higher education institutions by the State Board of Higher Education. The State Board of Higher Education may not select a formula for distributing the funding or distribute the funding until January 1, 2006. A representative of the board shall provide a report to the Budget Section regarding the allocation of the equity pool.

<sup>4</sup> This amendment increases funding for the operations of Dickinson State University by \$119,826 from the general fund and authorizes 1 FTE position for custodial services and utility costs associated with the addition to Murphy Hall.

<sup>5</sup> Williston State College - This amendment provides funding of \$90,000 from the general fund for extraordinary repair needs in Stevens Hall.

Mayville State University - This amendment provides funding of \$150,000 from the general fund for extraordinary repair needs in Old Main.

Minot State University - This amendment provides funding of \$80,000 from the general fund for extraordinary repair needs in the student union ballroom

<sup>6</sup> Williston State College - This amendment provides Williston State College with a \$1,050,000 special funds appropriation for an oil well training site on campus.

State College of Science - This amendment increases the capital assets line item for the State College of Science by \$1.7 million from special funds for renovating the college's football stadium and track.

### Senate Bill No. 2003 - Other Changes - House Action

This amendment also:

- Removes Section 9 of the engrossed bill relating to student financial assistance grants.
- Provides for \$150,000 of the funding appropriated for education incentive programs to be provided to private baccalaureate degree-granting institutions for doctoral incentives.
- Removes Section 19 of the engrossed bill providing for a performance audit of the University of North Dakota School of Medicine and Health Sciences.
- Adds a new section relating to the Career and Technology Institute at Bismarck State College.
- Adds a new section relating to student exchange programs.
- Adds a new section amending North Dakota Century Code Section 15-62.2-01 to provide for the allocation of funding appropriated for the student financial assistance program.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2014**

Page 1, line 8, after "resources" insert "; to repeal section 3 of chapter 491 of the 2003 Session Laws, relating to expiration of the authorization for the state to purchase oil put options; to provide for a report to the legislative council"

Page 3, line 5, replace "\$173,615" with "\$205,071"

Page 3, line 9, replace "7,461,422" with "7,461,422"

Page 3, after line 9, insert:

"Oil and gas division contingency 225,000"

Page 3, line 10, replace "6,198,090" with "6,391,634"

Page 3, line 11, replace "6,363,049" with "6,583,689"

Page 3, line 12, replace "\$164,959" with "\$192,055"

Page 3, line 15, replace "1,721,983" with "1,625,778"

Page 3, remove line 16

Page 3, line 19, replace "13,551,518" with "12,272,778"

Page 3, line 27, replace "657,285" with "641,435"

Page 3, line 30, replace "2,675,102" with "2,659,252"

Page 4, line 2, replace "468,942" with "446,894"

Page 4, line 5, replace "305,940" with "283,892"

Page 4, line 6, replace "\$2,539,959" with "\$2,567,055"

Page 4, line 7, replace "25,270,609" with "24,174,611"

Page 4, line 8, replace "22,730,650" with "21,607,556"

Page 4, line 17, replace "6,071,048" with "6,039,592"

Page 4, line 21, replace "27,292,412" with "27,292,412"

Page 4, after line 21, insert:

"Oil and gas division contingency 225,000"

Page 4, line 22, replace "50,516,810" with "50,710,354"

Page 4, line 23, replace "43,654,885" with "43,875,525"

Page 4, line 24, replace "6,840,444" with "6,834,829"

Page 4, line 27, replace "18,176,480" with "18,153,392"

Page 4, line 29, replace "18,722,000" with "11,272,000"

Page 4, line 31, replace "49,524,145" with "42,051,057"

Page 5, line 11, replace "17,348,241" with "17,332,391"

Page 5, line 14, replace "250,000" with "50,000"

Page 5, line 15, replace "32,857,254" with "32,641,404"

Page 5, line 18, replace "4,382,167" with "4,376,801"

Page 5, line 22, replace "33,879,025" with "33,873,659"

Page 5, line 23, replace "12,540,444" with "12,534,829"

Page 5, line 24, replace "162,286,824" with "154,816,645"

Page 5, line 25, replace "174,827,268" with "167,351,474"

Page 8, remove lines 9 through 18

Page 8, replace lines 24 through 26 with:

**"SECTION 15. UNOBLIGATED MONEYS IN PARTNERSHIP FOR COMMUNITY EXPANSION FUND - TRANSFER TO THE GENERAL FUND.** Notwithstanding section 6-09.14-02, any unobligated moneys, up to \$2,200,000, in the partnership in assisting community expansion fund as of June 30, 2005, must be returned to the general fund and considered general fund turnback.

**SECTION 16. CONTINGENT OIL AND GAS DIVISION FUNDING - EMERGENCY COMMISSION APPROVAL.** The funds appropriated in the oil and gas division contingency line item in subdivision 1 of section 3 of this Act are from the land and minerals trust fund. If funds are required due to the average drilling rig count exceeding thirty active rigs for each month in any consecutive three-month period, the oil and gas division may spend moneys from this line item upon emergency commission approval. The oil and gas division may hire up to two full-time equivalent positions with the contingency funds."

Page 17, after line 6, insert:

**"SECTION 30. REPEAL.** Section 3 of chapter 491 of the 2003 Session Laws is repealed.

**SECTION 31. STATE MILL AND ELEVATOR ASSOCIATION - REPORT TO BUDGET SECTION.** The manager of the state mill and elevator association shall present an annual report to the budget section of the legislative council. The report must include the current role and mission of the state mill and elevator association and short-term and long-term plans for acquisitions, construction, renovation, equipment upgrading, sales and marketing, personnel, and all financial matters. The report also must include a description of efforts by the state mill and elevator association to inform legislators about the role, mission, and operations of the state mill and elevator association."

Page 17, line 8, replace "15" with "14"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

##### Senate Bill No. 2014 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Industrial Commission				
Total all funds	\$50,516,810	\$50,491,844	\$218,510	\$50,710,354
Less estimated income	43,654,885	43,651,400	224,125	43,875,525
General fund	\$6,861,925	\$6,840,444	(\$5,615)	\$6,834,829
Bank of North Dakota				
Total all funds	\$51,404,797	\$57,599,145	(\$7,473,088)	\$50,126,057
Less estimated income	45,704,797	51,899,145	(7,473,088)	44,426,057
General fund	\$5,700,000	\$5,700,000	\$0	\$5,700,000
Housing Finance Agency				
Total all funds	\$33,895,707	\$33,879,025	(\$5,366)	\$33,873,659
Less estimated income	33,895,707	33,879,025	(5,366)	33,873,659
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$32,657,254	\$32,857,254	(\$215,850)	\$32,641,404
Less estimated income	32,657,254	32,857,254	(215,850)	32,641,404
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$168,474,568	\$174,827,268	(\$7,475,794)	\$167,351,474
Less estimated income	155,912,643	162,286,824	(7,470,179)	154,816,645
General fund	\$12,561,925	\$12,540,444	(\$5,615)	\$12,534,829

##### Senate Bill No. 2014 - Industrial Commission - House Action

EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
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Salaries and wages	\$6,071,048	\$6,046,082	(\$6,490)	\$6,039,592
Operating expenses	1,907,850	1,907,850		1,907,850
Capital assets	45,500	45,500		45,500
Lignite research and development	15,200,000	15,200,000		15,200,000
Grants - Bond payments	27,292,412	27,292,412		27,292,412
Oil and Gas Division contingency			<u>225,000</u>	<u>225,000</u>
Total all funds	\$50,516,810	\$50,491,844	\$218,510	\$50,710,354
Less estimated income	<u>43,654,885</u>	<u>43,651,400</u>	<u>224,125</u>	<u>43,875,525</u>
General fund	\$6,861,925	\$6,840,444	(\$5,615)	\$6,834,829
FTE	51.37	51.37	0.00	51.37

**Dept. 405 - Industrial Commission - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS CONTINGENCY FUNDING FOR OIL AND GAS DIVISION <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$6,490)		(\$6,490)
Operating expenses			
Capital assets			
Lignite research and development			
Grants - Bond payments			
Oil and Gas Division contingency		<u>\$225,000</u>	<u>225,000</u>
Total all funds	(\$6,490)	\$225,000	\$218,510
Less estimated income	<u>(875)</u>	<u>225,000</u>	<u>224,125</u>
General fund	(\$5,615)	\$0	(\$5,615)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds contingency funding of \$225,000 from the lands and minerals trust fund for the Oil and Gas Division to hire up to 2 full-time equivalent positions (1 field inspector and 1 plugging and reclamation supervisor) if the average drilling rig count exceeds 30 active rigs for each month in any consecutive three-month period, upon Emergency Commission approval.

**Senate Bill No. 2014 - Bank of North Dakota - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$18,249,597	\$18,176,480	(\$23,088)	\$18,153,392
Operating expenses	12,108,200	10,925,665		10,925,665
Capital assets	11,272,000	18,722,000	(7,450,000)	11,272,000
Contingencies	1,700,000	1,700,000		1,700,000
PACE fund	5,700,000	5,700,000		5,700,000
Agriculture PACE fund	1,425,000	1,425,000		1,425,000
Beginning farmer revolving loan fund	950,000	950,000		950,000
Total all funds	\$51,404,797	\$57,599,145	(\$7,473,088)	\$50,126,057
Less estimated income	<u>45,704,797</u>	<u>51,899,145</u>	<u>(7,473,088)</u>	<u>44,426,057</u>
General fund	\$5,700,000	\$5,700,000	\$0	\$5,700,000
FTE	178.50	178.50	0.00	178.50

**Dept. 471 - Bank of North Dakota - Detail of House Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REMOVES ADDITIONAL FUNDING FOR NEW BANK BUILDING ADDED BY SENATE <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$23,088)		(\$23,088)
Operating expenses			
Capital assets		(\$7,450,000)	(7,450,000)
Contingencies			
PACE fund			
Agriculture PACE fund			
Beginning farmer revolving loan fund			
Total all funds	(\$23,088)	(\$7,450,000)	(\$7,473,088)
Less estimated income	<u>(23,088)</u>	<u>(7,450,000)</u>	<u>(7,473,088)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes the additional \$7,450,000 of spending authority added by the Senate to increase the size of the new Bank of North Dakota building, resulting in a total of \$11 million available for the new Bank building.

This amendment also removes Section 14 of the engrossed bill added by the Senate providing legislative intent for the Bank of North Dakota to lease space in its new building to other state agencies and adds a section to provide for the Bank of North Dakota to turn back unobligated general fund moneys of up to \$2.2 million in the partnership in assisting community expansion fund to the general fund as of June 30, 2005.

### Senate Bill No. 2014 - Housing Finance Agency - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,398,849	\$4,382,167	(\$5,366)	\$4,376,801
Operating expenses	2,805,578	2,805,578		2,805,578
Grants	26,591,280	26,591,280		26,591,280
HFA contingencies	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total all funds	\$33,895,707	\$33,879,025	(\$5,366)	\$33,873,659
Less estimated income	<u>33,895,707</u>	<u>33,879,025</u>	<u>(5,366)</u>	<u>33,873,659</u>
General fund	\$0	\$0	\$0	\$0
FTE	43.00	43.00	0.00	43.00

### Dept. 473 - Housing Finance Agency - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL HOUSE CHANGES
Salaries and wages	(\$5,366)	(\$5,366)
Operating expenses		
Grants		
HFA contingencies		
Total all funds	(\$5,366)	(\$5,366)
Less estimated income	<u>(5,366)</u>	<u>(5,366)</u>
General fund	\$0	\$0
FTE	0.00	0.00

### Senate Bill No. 2014 - Mill and Elevator - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$17,348,241	\$17,348,241	(\$15,850)	\$17,332,391
Operating expenses	14,959,013	14,959,013		14,959,013
Contingencies	300,000	300,000		300,000
Agriculture promotion	<u>50,000</u>	<u>250,000</u>	<u>(200,000)</u>	<u>50,000</u>
Total all funds	\$32,657,254	\$32,857,254	(\$215,850)	\$32,641,404
Less estimated income	<u>32,657,254</u>	<u>32,857,254</u>	<u>(215,850)</u>	<u>32,641,404</u>
General fund	\$0	\$0	\$0	\$0
FTE	127.00	127.00	0.00	127.00

### Dept. 475 - Mill and Elevator - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	REDUCES FUNDING FOR AGRICULTURE PROMOTION <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages	(\$15,850)		(\$15,850)
Operating expenses			
Contingencies			
Agriculture promotion		<u>(\$200,000)</u>	<u>(200,000)</u>
Total all funds	(\$15,850)	(\$200,000)	(\$215,850)
Less estimated income	<u>(15,850)</u>	<u>(200,000)</u>	<u>(215,850)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment removes the \$200,000 addition made by the Senate to the agriculture promotion line item, resulting in a total of \$50,000 for agriculture promotion.

This amendment also removes Section 16 of the engrossed bill added by the Senate for the transfer of \$250,000 from the Mill and Elevator's agriculture promotion line to the Trade Promotion Authority and adds a section to require the state Mill and Elevator Association to present an annual report to the Budget Section and repeals Section 3 of Chapter 491 of the 2003 Session Laws related to expiration of the authorization for the state to purchase oil put options.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently failed to pass: SB 2145.

**MOTION**

**SEN. CHRISTMANN MOVED** that the absent members be excused, which motion prevailed.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 9:00 a.m., Monday, April 4, 2005, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1010, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "section" with "sections" and after "26.1-01-09" insert "and 26.1-36-37.2"

Page 1, line 4, after "salary" insert "and loss ratios"

Page 1, line 21, replace "361,269" with "355,279"

Page 1, line 22, replace "331,876" with "381,876"

Page 2, line 1, replace "2,116,000" with "1,091,000"

Page 2, line 2, replace "2,702,245" with "1,721,255"

Page 2, line 3, replace "2,802,245" with "1,821,255"

Page 2, line 10, replace "5,059,647" with "5,053,657"

Page 2, line 11, replace "2,113,377" with "2,163,377"

Page 2, line 12, replace "7,420,000" with "6,395,000"

Page 2, line 13, replace "14,593,024" with "13,612,034"

Page 2, line 15, replace "\$7,420,000" with "\$6,395,000"

Page 2, line 16, replace "\$7,200,000" with "\$6,200,000"

Page 2, line 18, replace "\$100,000" with "\$75,000"

Page 3, after line 9, insert:

**"SECTION 10. ADDITIONAL CRITICAL METHAMPHETAMINE-USE ZONE.**

Notwithstanding rules adopted by the commissioner identifying a critical methamphetamine-use zone, the commissioner shall designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone subject to section 19-20.2-11 and rules adopted pursuant to that section. Section 3 of this Act includes the sum of \$50,000 from the insurance regulatory trust fund, or so much of the sum as is necessary, to implement security measures established by the commissioner, including the purchase and distribution of locking devices, in the counties of Walsh, Cavalier, and Pembina, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 3, after line 15, insert:

**"SECTION 12. AMENDMENT.** Section 26.1-36-37.2 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-36-37.2. Loss ratios - Rules.** ~~For all policies providing hospital, surgical, medical, or major medical benefit, an~~ An insurance company, a nonprofit health service corporation, a fraternal benefit society, and any other entity providing a plan of accident or health insurance or other health benefit subject to state insurance regulation shall return benefits to group policyholders in the aggregate of not less than seventy five a percent of premium received and to individual policyholders in the aggregate of not less than sixty five percent of premium received, as determined by the commissioner. The commissioner shall adopt rules to establish these minimum standards on the basis of incurred claims experienced and earned premiums for the entire period for which rates are computed to provide coverage in accordance with accepted actuarial principles and practices. ~~This section does not apply to any contract or plan of insurance that provides exclusively for accident, disability income insurance, specified disease, hospital confinement indemnity, or other limited benefit health insurance."~~

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1010 - Insurance Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,080,549	\$5,059,647	(\$5,990)	\$5,053,657
Operating expenses	2,113,377	2,113,377	50,000	2,163,377
Grants	<u>5,304,000</u>	<u>7,420,000</u>	<u>(1,025,000)</u>	<u>6,395,000</u>
Total all funds	\$12,497,926	\$14,593,024	(\$980,990)	\$13,612,034
Less estimated income	<u>12,497,926</u>	<u>14,593,024</u>	<u>(980,990)</u>	<u>13,612,034</u>
General fund	\$0	\$0	\$0	\$0
FTE	46.50	46.50	0.00	46.50

#### Dept. 401 - Insurance Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	PROVIDES FUNDING FOR IMPLEMENTING METHAMPHETAMINE SECURITY MEASURES <sup>2</sup>	REDUCES FUNDING FOR PAYMENTS TO FIRE DEPARTMENTS 3	REDUCES FUNDING FOR A GRANT TO THE NORTH DAKOTA ASSOCIATION OF OIL AND GAS PRODUCING COUNTIES 4	TOTAL SENATE CHANGES
Salaries and wages	(\$5,990)				(\$5,990)
Operating expenses		\$50,000			50,000
Grants			(\$1,000,000)	(\$25,000)	(1,025,000)
Total all funds	(\$5,990)	\$50,000	(\$1,000,000)	(\$25,000)	(\$980,990)
Less estimated income	<u>(5,990)</u>	<u>50,000</u>	<u>(1,000,000)</u>	<u>(25,000)</u>	<u>(980,990)</u>
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> This amendment provides a \$50,000 special funds appropriation from the insurance regulatory trust fund for implementing methamphetamine security measures, including the purchase and distribution of locking devices. The amendment also adds a new section to the bill allowing the commissioner to designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone.

<sup>3</sup> This amendment reduces funding provided from the insurance premium tax collections for payments to fire departments by \$1 million, from \$7.2 million as provided by the House to \$6.2 million. Funding of \$6.2 million represents an increase in funding of \$1 million, from the \$5.2 million provided in the 2003-05 biennium.

<sup>4</sup> This amendment reduces funding provided from the insurance premium tax collections for a grant to the North Dakota Association of Oil and Gas Producing Counties by \$25,000, from \$100,000 as provided by the House to \$75,000.

This amendment also amends section 26.1-36-37.2 of the North Dakota Century Code relating to loss ratios.

#### REPORT OF STANDING COMMITTEE

**HB 1016, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed HB 1016 was placed on the Sixth order on the calendar.**

Page 1, line 2, after "management" insert "and a division of homeland security and state radio communications" and replace "911 services; to provide" with "the division of emergency management; to provide a statement of legislative intent"

Page 1, line 3, remove "authorization for a loan from the Bank of North Dakota"

Page 1, line 4, replace "and to require political subdivision financial participation in the state radio" with "to create and enact a new section to chapter 54-23.2 of the North Dakota Century Code, relating to a division of homeland security and state radio communications advisory commission; and to amend and reenact sections 54-23.2-01, 54-23.2-04.1, 54-23.2-09, 57-40.6-11, and 57-40.6-12 of the North Dakota Century Code, relating to a division of homeland security and state radio communications."

Page 1, remove line 5

Page 1, line 21, replace "3,760,579" with "3,540,596"

Page 2, line 1, replace "23,457,783" with "23,237,800"

Page 2, line 2, replace "19,733,090" with "19,519,635"

Page 2, line 3, replace "3,724,693" with "3,718,165"

Page 2, line 10, replace "6,798,138" with "6,578,155"

Page 2, line 14, replace "62,043,959" with "61,823,976"

Page 2, line 15, replace "56,950,231" with "56,736,776"

Page 2, line 16, replace "5,093,728" with "5,087,200"

Page 2, after line 16, insert:

**"SECTION 4. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS.** It is the intent of the fifty-ninth legislative assembly that the total full-time equivalent authorization includes 35 full-time equivalent positions for the division of homeland security and state radio communications, consisting of 29 positions relating to state radio communications, 5 positions authorized during the 2003-05 biennium by the emergency commission for homeland security, and 1 deputy director position from the division of emergency management."

Page 2, replace lines 22 through 31 with:

**"SECTION 6. PERFORMANCE AUDIT - DIVISION OF EMERGENCY MANAGEMENT.** The state auditor shall conduct a performance audit of the division of emergency management, including a review of fees collected for 911 services and the utilization of the fees during the biennium beginning July 1, 2005, and ending June 30, 2007. The audit must include a recommendation by the state auditor of the appropriate method of funding costs incurred by the division of emergency management for providing 911 services, including the costs incurred by the division for answering calls from counties not under contract with the division for 911 services. The state auditor must be granted access to all county and county consortium records pertaining to 911 information. The results of the audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committee of the sixtieth legislative assembly."

Page 3, remove lines 1 through 7

Page 3, replace lines 18 through 22 with:

**"SECTION 8. AMENDMENT.** Section 54-23.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-23.2-01. Definitions.** ~~Wherever the word "director" is hereinafter used, it shall mean the director of the office of management and budget. The word "system" hereinafter used shall mean~~ As used in this chapter, unless the context otherwise requires:

1. "Director" means the adjutant general.

2. "Division" means the division of homeland security and state radio communications.
3. "System" means the state radio broadcasting system.

**SECTION 9. AMENDMENT.** Section 54-23.2-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-23.2-04.1. Lost or runaway children and missing persons.** The ~~state radio department~~ division shall:

1. Establish and maintain a statewide file system for the purpose of effecting an immediate law enforcement response to reports of lost or runaway children and missing persons. ~~The state radio department shall implement~~
2. Implement a data exchange system to compile, to maintain, and to make available for dissemination to North Dakota and to out-of-state law enforcement agencies, descriptive information ~~which~~ that can assist appropriate agencies in recovering lost or runaway children and missing persons.
2. 3. Establish contacts and exchange information regarding lost or runaway children and missing persons with the national crime information center.
3. 4. Notify all enforcement agencies that reports of lost or runaway children and missing persons ~~shall~~ must be entered as soon as the minimum level of data specified by the ~~state radio department~~ division is available to the reporting agency and that no waiting period for entry of such data exists. If the enforcement agency is unable to enter the data, ~~the state radio department shall~~ division immediately upon notification shall enter the information into the national crime information center file.
4. 5. Compile and retain information regarding lost or runaway children or missing persons in a separate file, in a manner that allows the information to be used by law enforcement and other agencies ~~deemed~~ considered appropriate by the ~~state radio department~~ division, for investigative purposes. The enforcement agency is responsible for maintaining the disposition of the case and ~~shall~~ periodically shall review the case with the reporting party and the ~~state radio department~~ division to ensure all available information is included and to determine the current status of the case.
5. 6. Provide prompt confirmation of the receipt and entry of the lost or runaway children and missing persons report into the file system to the enforcement agency providing the report or to the parent, guardian, or identified family member as provided in subsection ~~6~~ 7.
6. 7. Allow any parent, guardian, or identified family member to submit a missing persons report to the ~~state radio department~~ division which will be included in the ~~state radio department~~ division file system and transmitted to the national crime information center, if they are unable to receive services from the local law enforcement agency.
7. 8. Compile and maintain a historical data repository relating to missing persons for all of the following purposes:
  - a. To develop and improve techniques utilized by law enforcement agencies when responding to reports of missing persons.
  - b. To provide a factual and statistical base for research ~~that~~ which would address the problem of lost or runaway children and missing persons.

**SECTION 10. AMENDMENT.** Section 54-23.2-09 of the North Dakota Century Code is amended and reenacted as follows:

**54-23.2-09. Mobile data terminal and 911 service fees.** ~~State radio communications~~

1. The division shall establish and charge fees to provide mobile data terminal service to interested local law enforcement agencies. The fees must be

based on actual costs incurred by ~~state radio communications~~ the division for providing the service.

~~State radio communications~~

2. The division may provide 911 services to a political subdivision with a population of fewer than twenty thousand and shall charge at least twenty cents per telephone access line and wireless access line for 911 services provided to political subdivisions. The fee for 911 wireless services must be charged to and paid by the political subdivision receiving services from ~~state radio communications~~ the division under this section from and after the date of the agreement entered into by the political subdivision or its designee under section 57-40.6-05, whether the date of that agreement is before or after April 4, 2003. Each county currently receiving 911 services from ~~state radio communications~~ the division shall abide by the standards established by law.

**SECTION 11.** A new section to chapter 54-23.2 of the North Dakota Century Code is created and enacted as follows:

Advisory commission. The division of homeland security and state radio communications advisory commission consists of five members appointed by the governor. Each member must be appointed for a term of four years. Each member of the advisory commission is entitled to be paid a per diem of sixty-two dollars and fifty cents per day and is entitled to be reimbursed for the member's actual and necessary expenses at the rates and in the manner provided by law for other state officers. The compensation and expenses must be paid out of division appropriations. The advisory commission shall advise the division regarding collaboration with political subdivisions and potential efficiencies with state radio communications.

**SECTION 12. AMENDMENT.** Section 57-40.6-11 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.6-11. Annual report to legislative council.**~~State radio~~ The division of homeland security and state radio communications, in cooperation with entities affected by this section and section 57-40.6-10, shall facilitate the review of emergency 911 telephone system standards and guidelines and shall report annually to the legislative council on the operation of and any recommended changes in the standards and guidelines.

**SECTION 13. AMENDMENT.** Section 57-40.6-12 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.6-12. Reports of coordination of public safety answering points coverage.** The governing body of a city or county, which adopted a fee on telephone exchange access service and wireless service under this chapter, shall make an annual report of the income, expenditures, and status of its emergency services communication system. The annual report must be submitted to the ~~state radio~~ division of homeland security and state radio communications and to the public safety answering points coordinating committee. The committee is composed of three members, one appointed by the North Dakota 911 association, one appointed by the North Dakota association of counties, and one appointed by the ~~office of management and budget~~ adjutant general to represent the ~~state radio~~ division of homeland security and state radio communications. The public safety answering points coordinating committee shall file its report with the legislative council by November first of each even-numbered year."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1016 - Division of Emergency Management - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,821,939	\$6,798,138	(\$219,983)	\$6,578,155
Operating expenses	3,325,844	3,325,844		3,325,844
Capital assets	4,957,923	4,957,923		4,957,923
Grants	<u>46,962,054</u>	<u>46,962,054</u>		<u>46,962,054</u>
Total all funds	\$62,067,760	\$62,043,959	(\$219,983)	\$61,823,976

Less estimated income	<u>56,961,521</u>	<u>56,950,231</u>	<u>(213,455)</u>	<u>56,736,776</u>
General fund	\$5,106,239	\$5,093,728	(\$6,528)	\$5,087,200
FTE	54.00	54.00	0.00	54.00

**Dept. 512 - Division of Emergency Management - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR SALARIES AND WAGES 2	TOTAL SENATE CHANGES
Salaries and wages	(\$6,490)	(\$213,493)	(\$219,983)
Operating expenses			
Capital assets			
Grants			
Total all funds	(\$6,490)	(\$213,493)	(\$219,983)
Less estimated income	<u>(2,939)</u>	<u>(210,516)</u>	<u>(213,455)</u>
General fund	(\$3,551)	(\$2,977)	(\$6,528)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> This amendment reduces funding for salaries and wages by \$213,493, of which \$2,977 is from the general fund to remove funding related to continuing salary increases provided to Division of Emergency Management employees not directly affiliated with homeland security and state radio responsibilities during the 2003-05 biennium.

**REPORT OF STANDING COMMITTEE**

**HB 1018, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1018 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "section" with "sections" and after "20.1-02-16.1" insert "and 20.1-04-15"

Page 1, line 3, after "fund" insert "and establishing a youth pheasant hunting season; to provide a statement of legislative intent; to provide an expiration date"

Page 1, line 23, replace "1,431,668" with "1,414,443"

Page 2, line 2, replace "1,812,072" with "2,312,072"

Page 2, line 3, replace "47,683" with "46,564"

Page 2, line 6, replace "191,480" with "190,854"

Page 2, line 8, replace "5,829,291" with "6,310,321"

Page 2, line 15, replace "16,805,250" with "16,788,025"

Page 2, line 18, replace "5,414,122" with "5,914,122"

Page 2, line 19, replace "10,229,098" with "10,227,979"

Page 2, line 23, replace "1,529,033" with "1,528,407"

Page 2, line 26, replace "49,195,054" with "49,676,084"

Page 3, after line 19, insert:

**"SECTION 8. LEGISLATIVE INTENT - GRAHAMS ISLAND ROAD.** It is the intent of the fifty-ninth legislative assembly that if the bids for the Grahams Island road construction project are less than the amount budgeted, then \$100,000 of the \$500,000 grant provided by the game and fish department for the road project must be returned to the game and fish fund."

Page 3, after line 29, insert:

**"SECTION 10. AMENDMENT.** Section 20.1-04-15 of the North Dakota Century Code is amended and reenacted as follows:

**20.1-04-15. Pheasant season - Opening.** The open or lawful season on pheasant and the open or lawful season on duck may not commence on the same weekend. The Except as otherwise provided in this section for the opening of pheasant season for youth, the open or lawful season on pheasant may not open earlier than one-half hour before sunrise and the season may not commence earlier than the first Saturday of October of any given year. The governor, in the governor's proclamation, may provide a pheasant hunting season for youth ages twelve through sixteen on the Saturday and Sunday preceding the opening of the regular pheasant season.

**SECTION 11. EXPIRATION DATE.** Section 10 of this Act is effective through July 31, 2007, and after that date is ineffective."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - Game and Fish Department - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$16,870,147	\$16,805,250	(\$17,225)	\$16,788,025
Operating expenses	9,736,435	9,736,435		9,736,435
Capital assets	2,961,116	2,961,116		2,961,116
Grants	5,414,122	5,414,122	500,000	5,914,122
Land habitat and deer depredation	10,232,286	10,229,098	(1,119)	10,227,979
Noxious weed control	350,000	350,000		350,000
Grants, gifts, and donations	700,000	700,000		700,000
Nongame wildlife conservation	120,000	120,000		120,000
Lonetree Reservoir	1,531,060	1,529,033	(626)	1,528,407
Wildlife services	550,000	550,000		550,000
Ramp improvements and marina development		800,000		800,000
Total all funds	\$48,465,166	\$49,195,054	\$481,030	\$49,676,084
Less estimated income	48,465,166	49,195,054	481,030	49,676,084
General fund	\$0	\$0	\$0	\$0
FTE	152.00	152.00	0.00	152.00

**Dept. 720 - Game and Fish Department - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	ADDS FUNDING FOR GRAHAMS ISLAND ROAD <sup>2</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$17,225)		(\$17,225)
Operating expenses			
Capital assets			
Grants		\$500,000	500,000
Land habitat and deer depredation	(1,119)		(1,119)
Noxious weed control			
Grants, gifts, and donations			
Nongame wildlife conservation			
Lonetree Reservoir	(626)		(626)
Wildlife services			
Ramp improvements and marina development			
Total all funds	(\$18,970)	\$500,000	\$481,030
Less estimated income	(18,970)	500,000	481,030
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> This amendment adds \$500,000 of special funds spending authority to the grants line item for the Game and Fish Department to provide a grant toward the construction costs of the Grahams Island road. This amendment also adds a section of legislative intent that if the bids for the road construction project are less than the amount budgeted, then \$100,000 of the \$500,000 is to be returned to the game and fish fund.

This amendment also amends North Dakota Century Code Section 20.1-04-15 relating to the opening of the pheasant hunting season for youth and provides an expiration date.

**REPORT OF STANDING COMMITTEE**

**HB 1223, as reengrossed: Judiciary Committee (Sen. Traynor, Chairman)** recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1223 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1252, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed HB 1252, as amended, was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1459, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed HB 1459, as amended, was placed on the Fourteenth order on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2324, as engrossed:** Your conference committee (Sens. Dever, G. Lee, Triplett and Reps. Kretschmar, N. Johnson, Zaiser) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 874, adopt amendments as follows, and place SB 2324 on the Seventh order:

That the House recede from its amendments as printed on page 874 of the Senate Journal and page 1005 of the House Journal and that Engrossed Senate Bill No. 2324 be amended as follows:

Page 1, line 19, after "districts" insert ". The plan must be approved by the electorate in each affected city and county"

Renumber accordingly

Engrossed SB 2324 was placed on the Seventh order of business on the calendar.

**FIRST READING OF HOUSE CONCURRENT RESOLUTION**

**HCR 3059:** A concurrent resolution urging Congress to oppose federal legislation that would impair, erode, and limit the ability of state governments to regulate the business of insurance.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

The Senate stood adjourned pursuant to Senator Christmann's motion.

**William R. Horton, Secretary**