

## JOURNAL OF THE HOUSE

## Sixty-second Legislative Assembly

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Bismarck, April 26, 2011

The House convened at 8:30 a.m., with Speaker Drovdal presiding.

The prayer was offered by Rebecca Aardahl, Missouri Slope Lutheran Care Center, Bismarck.

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

A quorum was declared by the Speaker.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. BELTER MOVED** that the conference committee report on Engrossed HB 1289 as printed on HJ pages 1918-1928 be laid on the table, which motion prevailed on a verification vote.

**MOTION**

**REP. CARLSON MOVED** that the vote by which the conference committee report on Engrossed HB 1289 was laid on the table be reconsidered and the motion to reconsider be laid on the table, which motion prevailed on a verification vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. DELZER MOVED** that the conference committee report on Engrossed HB 1451 as printed on HJ pages 1928-1930 be adopted.

**REQUEST**

**REP. KROEBER REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed HB 1451, the conference committee report on Engrossed HB 1451 was adopted on a verification vote.

Engrossed HB 1451, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1451:** A BILL for an Act to create and enact a new section to chapter 57-51.1 of the North Dakota Century Code, relating to deposit of oil and gas tax revenue; to amend and reenact sections 6-09.6-01.1, 6-09.6-01.2, 6-09.6-03, 6-09.7-05, 15-08.1-08, 15-08.1-09, 54-27.2-01, 57-51.1-07.3, and 61-33-07 of the North Dakota Century Code, relating to the lands and minerals trust fund, the budget stabilization fund, and the oil and gas research fund; to repeal sections 57-51.1-07.2 and 57-51.1-07.4 of the North Dakota Century Code, relating to elimination of the permanent oil tax trust fund; to provide for transfers; to provide an effective date; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 70 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Dahl; Damschen; DeKrey; Delzer; Devlin; Dosch; Frantsvog; Froseth; Glassheim; Grande; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Louser; Maragos; Martinson; Meier, L.; Monson; Nathe; Nelson, J.; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trotter; Vigasaa; Wall; Weiler; Weisz; Wieland; Wrangham

**NAYS:** Amerman; Conklin; Delmore; Gruchalla; Guggisberg; Hanson; Hogan; Holman; Hunskor; Kaldor; Kelsh, J.; Kelsh, S.; Kilichowski; Kroeber; Metcalf; Meyer, S.; Mock; Nelson, M.; Onstad; Williams; Winrich; Zaiser; Speaker Drovdal

**ABSENT AND NOT VOTING:** Mueller

Reengrossed HB 1451 passed and the emergency clause was declared carried.

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#### **ANNOUNCEMENT**

**SPEAKER DROVDAL ANNOUNCED** that the House will stand in recess until 1:00 p.m.

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

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has laid on the table: HB 1289.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has failed to reconsider: SB 2161.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1451.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report on: HB 1134.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1011.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2042, SB 2129.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. WEISZ MOVED** that the conference committee report on Reengrossed SB 2276 as printed on HJ pages 1930-1934 be adopted.

#### **REQUEST**

**REP. DEVLIN REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Reengrossed SB 2276, the conference committee report on Reengrossed SB 2276 was rejected on a verification vote.

#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1057, as engrossed:** Your conference committee (Sens. Hogue, Oehlke, Triplett and Reps. Owens, Streyle, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1331-1332, adopt amendments as follows, and place HB 1057 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1331 and 1332 of the House Journal and pages 1062 and 1063 of the Senate Journal and that Engrossed House Bill No. 1057 be amended as follows:

Page 1, line 1, remove "to create and enact a new subsection to section 57-38-57 of the North Dakota"

Page 1, line 2, remove "Century Code, relating to angel fund investment disclosure;"

Page 1, line 4, after the first "provide" insert "for"

Page 1, line 4, after the first semicolon insert "and"

Page 1, line 4, remove "; and to provide"

Page 1, line 5, remove "an expiration date"

Page 1, line 11, overstrike "incorporated in" and insert immediately thereafter "a domestic organization created under the laws of"

Page 1, line 13, overstrike "invested" and insert immediately thereafter "remitted"

Page 1, line 13, overstrike "in" and insert immediately thereafter "to"

Page 1, line 15, after the period insert "The aggregate lifetime credits under this section that may be obtained by an individual, married couple, passthrough entity and its affiliates, or other taxpayer is one hundred fifty thousand dollars. The investment used to calculate the credit under this section may not be used to calculate any other income tax deduction or credit allowed by law."

Page 1, line 21, overstrike "four" and insert immediately thereafter "seven"

Page 2, line 5, after "three" insert "primary sector companies that are"

Page 2, line 10, after the underscored period insert "Early-stage and mid-stage entities do not include those that have more than twenty-five percent of their revenue from income-producing real estate."

Page 3, line 1, replace "paid for the investment" with "remitted"

Page 3, line 3, replace "on which full consideration" with "the payment"

Page 3, after line 4, insert:

"j. Within thirty days after the end of a calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment."

Page 3, line 5, after "4." insert "The tax commissioner may disclose to the legislative management the reported information described under paragraphs 2 and 3 of subdivision i of subsection 3 and the reported information described under subdivision j of subsection 3."

5."

Page 3, line 11, overstrike "5." and insert immediately thereafter "6."

Page 3, line 14, replace "6." with "7."

Page 3, line 18, replace "If" with "For the first two taxable years beginning after December 31, 2010, if"

Page 3, line 19, replace "7" with "8"

Page 3, line 23, replace "If" with "For the first two taxable years beginning after December 31, 2010, if"

Page 3, line 24, replace "7" with "8"

Page 3, line 29, replace "7" with "8"

Page 3, line 30, replace "7." with "8."

Page 3, line 30, replace "A" with "For the first two taxable years beginning after December 31, 2010, a"

Page 3, line 31, after "section" insert "for investment in an angel fund established after July 31, 2011."

Page 4, line 2, after the underscored period insert "The cumulative credits transferred by all investors in an angel fund may not exceed fifty percent of the aggregate credits under this section during the life of the angel fund under subsection 6."

Page 5, line 12, after "to" insert "establish necessary administrative provisions for the credit under this section, including provisions to"

Page 5, remove lines 14 through 18

Page 5, line 20, remove "the status"

Page 5, replace line 21 with "the number of in-state and out-of-state investors, amount of investment, and amount of tax credits accrued, claimed, and transferred by each individual angel fund."

Page 5, line 22, remove "- **EXPIRATION DATE**"

Page 5, line 22, replace "Section 1 of this" with "This"

Page 5, line 23, remove "the first four"

Page 5, line 23, remove ", and is thereafter ineffective"

Page 5, remove line 24

Renumber accordingly

Engrossed HB 1057 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. OWENS MOVED** that the conference committee report on Engrossed HB 1057 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1057, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1057:** A BILL for an Act to amend and reenact section 57-38-01.26 of the North Dakota Century Code, relating to the angel fund investment tax credit; to provide for a report to the legislative management; 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 80 YEAS, 13 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Belter; Boehning; Brabandt; Brandenburg; Carlson; Clark; Dahl; Damschen; DeKrey; Delmore; Devlin; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemm; Koppelman; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Onstad; Owens; Paur; Pietsch; Porter; Sanford; Schatz; Schmidt; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovda

**NAYS:** Bellew; Boe; Conklin; Delzer; Heller; Kreidt; Nelson, M.; Pollert; Rohr; Ruby; Rust; Skarphol; Wrangham

**ABSENT AND NOT VOTING:** Mueller

Reengrossed HB 1057 passed.

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**ANNOUNCEMENT**

**SPEAKER DROVDAL ANNOUNCED** that the House will stand in recess until 3:00 p.m.

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

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has not adopted the conference committee report on: SB 2276.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1057.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2047.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1451.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1011, HB 1044, HB 1126, HB 1134, HB 1248.

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

**MR. SPEAKER:** The President has signed: HB 1011, HB 1044, HB 1126, HB 1134, HB 1248.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: SB 2042, SB 2129.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1001, as engrossed:** Your conference committee (Sens. Christmann, Holmberg, O'Connell and Reps. Thoreson, Klein, Kroeber) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1599-1606 and place HB 1001 on the Seventh order.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. THORESON MOVED** that the conference committee report on Engrossed HB 1001 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1001, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1001:** A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications and transfers; to amend and reenact sections 54-03-10, 54-03-20, and 54-35-10 of the North Dakota Century Code, relating to legislative compensation; to provide an effective date; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 63 YEAS, 28 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Belter; Boehning; Carlson; Clark; Dahl; Damschen; DeKrey; Delmore; Delzer; Dosch; Frantsvog; Glassheim; Grande; Gruchalla; Guggisberg; Hatlestad; Heilman; Heller; Hofstad; Holman; Johnson, D.; Johnson, N.; Kaldor; Karls; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Nathe; Nelson, M.; Onstad; Paur; Pietsch; Pollert;

Rust; Sanford; Schmidt; Skarphol; Sukut; Thoreson; Wall; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovdal

**NAYS:** Bellew; Boe; Brabandt; Brandenburg; Conklin; Devlin; Froseth; Hanson; Hawken; Headland; Hogan; Hunskor; Kasper; Klein; Louser; Meyer, S.; Mock; Monson; Nelson, J.; Porter; Ruby; Schatz; Steiner; Streyle; Trottier; Vigesaa; Weiler; Wrangham

**ABSENT AND NOT VOTING:** Mueller; Owens; Rohr

Reengrossed HB 1001 passed and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**SB 2047, as engrossed:** Your conference committee (Sens. Hogue, Cook, Dotzenrod and Reps. Wrangham, Drovdal, S. Meyer) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 900-903 and place SB 2047 on the Seventh order.

Engrossed SB 2047 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. WRANGHAM MOVED** that the conference committee report on Engrossed SB 2047 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2047, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF SENATE BILL

**SB 2047:** A BILL for an Act to amend and reenact section 21-06-10 and subsections 3 and 4 of section 57-51-15 of the North Dakota Century Code, relating to allocation of revenues from the leasing of federal flood control lands and oil and gas gross production tax allocations to school districts; to provide an effective date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 3 YEAS, 89 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Kelsch, R.; Maragos; Porter

**NAYS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigesaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

**ABSENT AND NOT VOTING:** Mueller; Rohr

Engrossed SB 2047, as amended, lost.

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1206, as engrossed:** Your conference committee (Sens. Klein, Wardner, Schneider and Reps. Keiser, Hofstad, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1517-1519, adopt amendments as follows, and place HB 1206 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1517-1519 of the House Journal and pages 1317-1320 of the Senate Journal and that Engrossed House Bill No. 1206 be amended as follows:

Page 1, line 2, replace "grant repayment by the authority" with "appropriations; to provide for loans and loan repayment"

Page 2, line 2, after the underscored period insert "The western area water supply authority shall consider in the process of locating industrial water depots the location of private water sellers so as to minimize the impact on private water sellers."

Page 2, line 11, replace the first underscored comma with "or"

Page 2, line 11, remove ", or bond revenue"

Page 2, line 13, remove "or bond"

Page 2, line 14, remove "revenue"

Page 2, line 14, remove the underscored comma

Page 2, line 14, remove "any bonds or refunding bonds issued under this chapter remain"

Page 2, line 15, replace "outstanding or a grant of up to thirty million dollars" with "the twenty-five million dollar zero interest loan"

Page 2, line 20, after the second underscored comma insert "BDW water system association."

Page 2, line 21, replace "Each" with "The governing body of each"

Page 2, line 22, after "board" insert "who are water users of the member entity"

Page 2, line 22, replace "that" with "the governing body of the"

Page 2, line 23, after the underscored period insert "In addition, the state engineer or designee is a voting member on the authority's board of directors. Directors have a term of one year and may be reappointed."

Page 2, line 24, replace "2." with "2."

Page 2, line 30, after the underscored comma insert "except for the state engineer or designee."

Page 5, line 24, remove "Issue and sell revenue bonds, including notes, certificates, leases, or other evidences"

Page 5, remove lines 25 through 31

Page 6, remove lines 1 through 16

Page 6, line 17, remove "17."

Page 6, line 19, replace "bonds" with "obligations"

Page 6, line 21, replace "18." with "13."

Page 6, line 24, replace "19." with "14."

Page 6, line 25, remove "other than bonded indebtedness"

Page 6, line 27, replace "20." with "15."

Page 6, remove lines 29 and 30

Page 7, remove lines 1 and 2

Page 7, line 3, replace "22." with "16."

Page 7, line 4, replace "23." with "17."

Page 7, line 9, replace "24." with "18."

Page 7, line 17, replace "25." with "19."

Page 7, line 22, replace "26." with "20."

Page 7, line 27, replace "report to" with "comply with the policy of"

Page 7, line 27, replace "on the" with "as the policy relates to"

Page 7, line 27, after the second underscored comma insert "and"

Page 7, line 28, replace the first underscored comma with "of the project. The policy must include provisions for insurance, including general liability insurance, in adequate amounts. The authority shall report to and consult with the state water commission regarding the"

Page 7, line 28, remove the second underscored comma

Page 7, line 31, replace "concurrence" with "approval"

Page 8, line 1, remove "bonds issued by the authority utilize section 61-40-17 or a"

Page 8, line 2, replace "grant of up to thirty million dollars" with "the twenty-five million dollar zero interest loan"

Page 8, remove lines 6 through 31

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 17

Page 11, line 18, replace "61-40-15." with "61-40-07."

Page 11, line 18, replace "ditches, canals, tramways, and transmission lines" with "pipelines and appurtenant facilities"

Page 11, line 26, replace "61-40-16." with "61-40-08."

Page 11, line 26, after "to" insert "judicially"

Page 11, line 26, remove "judicially"

Page 11, line 27, remove ", issuing bonds."

Page 12, remove lines 1 through 26

Page 12, line 27, replace "60-40-18." with "61-40-09."

Page 12, line 29, remove ", if the legislative assembly has appropriated"

Page 12, line 30, remove "moneys to restore the reserve fund for the obligation in default under this chapter."

Page 13, line 3, after the first "authority" insert "and the liabilities of the authority. In addition, the state assumes the powers of the authority. If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota"



for a loan for which the Bank of North Dakota is the source of funds for the loan, the state water commission shall request funding from the legislative assembly to repay the principal and interest due"

Page 13, after line 9, insert:

**"SECTION 2. LOANS FROM BANK OF NORTH DAKOTA AND STATE WATER COMMISSION.** The Bank of North Dakota shall provide a loan of \$50,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota. However, the term of the loan is a maximum of seven years after June 30, 2014. The state water commission shall make available from funding appropriated to the commission for the 2011-13 biennium \$25,000,000 as a zero interest loan to the western area water supply authority, and the Bank of North Dakota shall manage this loan. The maximum term of this loan is five years from the completion of the \$10,000,000 loan from the resources trust fund.

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000 or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of providing a loan to the western area water supply authority for a maximum term of eight years from the completion of the \$50,000,000 loan from the Bank of North Dakota and at five percent interest per year, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of providing a loan to the western area water supply authority for a maximum term of two years from the completion of the \$25,000,000 loan from the general fund and at five percent interest per year, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 13, line 10, replace "**STATE WATER COMMISSION GRANT**" with "**LOAN FUNDING AND**"

Page 13, line 10, replace "**OBLIGATION**" with "**PRIORITY**"

Page 13, line 10, remove "After"

Page 13, replace lines 11 through 14 with "Funding from sections 2, 3, and 4 of this Act must be structured so that funding is provided, as needed, first from the \$25,000,000 zero interest loan from the state water commission, second from the \$50,000,000 loan from the Bank of North Dakota, third from the \$25,000,000 loan from the general fund, and last from the \$10,000,000 loan from the resources trust fund. Repayment of loans must be structured so that repayment is first of the \$50,000,000 loan from the Bank of North Dakota, second of the \$25,000,000 loan from the general fund for deposit of the principal in the general fund and interest in the resources trust fund, third from the \$10,000,000 loan from the resources trust fund for deposit in the resources trust fund, and last of the \$25,000,000 zero interest loan from the state water commission for deposit in the resources trust fund. The western area water supply authority shall repay the loans for the project from revenues from the project, and the authority may prepay loans within the priority without penalty. Upon repayment of the state water commission zero interest loan, the authority shall provide five percent of the net profits to the state water commission for deposit by the state treasurer in the resources trust fund until June 30, 2040.

**SECTION 6. SECOND PHASE ANTICIPATED FUNDING.** At the request of the western area water supply authority, the state water commission shall consider a loan of \$40,000,000 from the resources trust fund for inclusion within the state water commission's budget. The state water commission shall consult and work cooperatively with the water-related topics overview committee in setting the priority of the loan within the budget."

Renumber accordingly

Engrossed HB 1206 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KEISER MOVED** that the conference committee report on Engrossed HB 1206 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1206, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1206:** A BILL for an Act to create and enact chapter 61-40 of the North Dakota Century Code, relating to a western area water supply authority; to provide appropriations; to provide for loans and loan repayment; 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 81 YEAS, 12 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Belter; Boehning; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Sukut; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovdal

**NAYS:** Bellew; Boe; Brabandt; Frantsvog; Louser; Maragos; Nelson, J.; Ruby; Streyle; Thoreson; Weiler; Wrangham

**ABSENT AND NOT VOTING:** Mueller

Reengrossed HB 1206 passed and the emergency clause was declared carried.

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#### **ANNOUNCEMENT**

**SPEAKER DROVDAL ANNOUNCED** that the House will stand in recess until 5:00 p.m.

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

#### **MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1001, HB 1206.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2013, SB 2150.

#### **MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: HB 1047.

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

The following bill was delivered to the Governor for approval on April 26, 2011: HB 1047.

#### **CORRECTION AND REVISION OF THE JOURNAL**

**MR. SPEAKER:** Your Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman) has carefully examined the Journal of the Seventy-fourth and Seventy-fifth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1873, line 27, after "1268" insert ", as amended"

Page 1878, line 44, replace "indivdual" with "individual"

Page 1884, line 7, delete "1202 and "

Page 1906, line 16, replace "Porter" with "Pollert"

Page 1917, line 7, replace "failed to pass" with "laid on the table"

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

#### **COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 26, 2011, I have signed the following: HB 1093, HB 1154, HB 1155, HB 1173, HB 1195, HB 1256, HB 1270, HB 1422, and HB 1462.

#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1015, as engrossed:** Your conference committee (Sens. Christmann, Wanzek, O'Connell and Reps. Wieland, Pollert, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1414-1417, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1414-1417 of the House Journal and pages 1169-1171 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, remove "to provide for a legislative management study;"

Page 1, line 3, after the semicolon insert "to provide for borrowing authority;"

Page 1, replace line 13 with:

"Adult services	\$143,087,868	\$19,399,630	\$162,487,498"
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Page 1, replace line 15 with:

"Total all funds	\$168,594,699	\$21,477,370	\$190,072,069"
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Page 1, replace lines 17 and 18 with:

"Total general fund	\$142,657,006	\$16,908,913	\$159,565,919
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Full-time equivalent positions	735.29	59.00	794.29"
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Page 2, remove lines 12 through 31

Page 3, replace lines 1 and 2 with:

**"SECTION 3. BORROWING AUTHORITY - BANK OF NORTH DAKOTA - APPROPRIATION.** The department of corrections and rehabilitation may borrow the sum of \$1,100,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated to the department of corrections and rehabilitation for the purpose of defraying the expenses of the penitentiary expansion project, for the period beginning July 1, 2011, and ending June 30, 2013.

**SECTION 4. DEPARTMENT OF CORRECTIONS AND REHABILITATION - HOUSING CONTRACT.** The department of corrections and rehabilitation shall contract with an organization to house women inmates sentenced to the department for the biennium beginning July 1, 2011, and ending June 30, 2013. At the conclusion of the 2011-13 biennium, if the agreed-upon contract amount differs from the actual expenditures of the organization for the biennium beginning July 1, 2011, and ending June 30, 2013, the variance must be disclosed and reported to the department of corrections and rehabilitation."

Page 3, line 5, after the period insert "Reports to the budget section must include any amounts borrowed under the provisions of section 3 of this Act and the purpose of the loan."

Page 3, line 8, replace "forty-nine" with "forty-seven"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1015 - Summary of Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$0	\$0	\$0	\$0	\$1,100,000	(\$1,100,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$0	\$0	\$1,100,000	(\$1,100,000)
DOCR						
Total all funds	\$192,110,423	\$189,678,905	\$1,493,164	\$191,172,069	\$190,152,069	\$1,020,000
Less estimated income	30,506,150	30,506,150	1,100,000	31,606,150	30,506,150	1,100,000
General fund	\$161,604,273	\$159,172,755	\$393,164	\$159,565,919	\$159,645,919	(\$80,000)
Bill total						
Total all funds	\$192,110,423	\$189,678,905	\$1,493,164	\$191,172,069	\$191,252,069	(\$80,000)
Less estimated income	30,506,150	30,506,150	1,100,000	31,606,150	30,506,150	1,100,000
General fund	\$161,604,273	\$159,172,755	\$393,164	\$159,565,919	\$160,745,919	(\$1,180,000)

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

This amendment removes the appropriation included in the Senate version of \$1.1 million from the general fund to the Office of Management and Budget (OMB) for a transfer to the State Penitentiary land fund.

#### House Bill No. 1015 - DOCR - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Adult Services	\$164,525,852	\$162,094,334	\$393,164	\$162,487,498	\$162,567,498	(\$80,000)
Youth Services	27,584,571	27,584,571		27,584,571	27,584,571	
Borrowing Authority			1,100,000	1,100,000		1,100,000
Total all funds	\$192,110,423	\$189,678,905	\$1,493,164	\$191,172,069	\$190,152,069	\$1,020,000
Less estimated income	30,506,150	30,506,150	1,100,000	31,606,150	30,506,150	1,100,000
General fund	\$161,604,273	\$159,172,755	\$393,164	\$159,565,919	\$159,645,919	(\$80,000)
FTE	802.29	795.29	(1.00)	794.29	794.29	0.00

#### Department No. 530 - DOCR - Detail of Conference Committee Changes

	Restores Funding for Contract Housing <sup>1</sup>	Restores FTE Position <sup>2</sup>	Removes New FTE Positions <sup>3</sup>	Restores Funding for Utilities <sup>4</sup>	Restores Funding for Operating Expenses <sup>5</sup>	Adds Funding for Penitentiary Expansion Project <sup>6</sup>
Adult Services	\$220,000	\$45,279	(\$80,898)	\$100,000	\$108,783	
Youth Services						
Borrowing Authority						1,100,000
Total all funds	\$220,000	\$45,279	(\$80,898)	\$100,000	\$108,783	\$1,100,000
Less estimated income	0	0	0	0	0	1,100,000
General fund	\$220,000	\$45,279	(\$80,898)	\$100,000	\$108,783	\$0
FTE	0.00	1.00	(2.00)	0.00	0.00	0.00

Total Conference
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	<b>Committee Changes</b>
Adult Services	\$393,164
Youth Services	
Borrowing Authority	1,100,000
Total all funds	\$1,493,164
Less estimated income	1,100,000
General fund	\$393,164
FTE	(1.00)

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<sup>1</sup> This amendment restores \$220,000 for contract housing. The House removed \$1 million. The Senate restored \$300,000.

<sup>2</sup> This amendment restores 1 FTE system mechanic position and related operating expenses which were removed by the House, the same as the Senate version.

<sup>3</sup> This amendment removes 2 FTE correctional officer II positions and related operating expenses included in the executive recommendation, the same as the Senate version.

<sup>4</sup> Funding for utilities for the prison expansion removed by the House is restored, the same as the Senate version.

<sup>5</sup> Funding of \$108,783 for operating expenses for Adult Services is restored, the same as the Senate version. The House removed \$229,693.

<sup>6</sup> A section is added to authorize the Department of Corrections and Rehabilitation to borrow and spend up to \$1.1 million from the Bank of North Dakota for the Penitentiary expansion project. The Senate provided that OMB transfer \$1.1 million from the general fund to the State Penitentiary land fund.

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Sections are added providing criteria for a contract with an organization to provide housing for female inmates and authorizing the department to borrow money from the Bank of North Dakota for the Penitentiary expansion project. Sections relating to the Heart of America Correctional and Treatment Center and for a study of the Missouri River Correctional Center are removed. The Senate also removed these sections.

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

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. WIELAND MOVED** that the conference committee report on Engrossed HB 1015 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1015, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide for a report to the budget section; to provide for borrowing authority; and to provide legislative intent.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 90 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson;

Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Winrich; Wrangham; Speaker Drovdal

**NAYS:** Dosch; Weiler; Zaiser

**ABSENT AND NOT VOTING:** Mueller

Reengrossed HB 1015 passed.

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#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1229, as engrossed:** Your conference committee (Sens. G. Lee, Luick, Heckaman and Reps. R. Kelsch, Wall, Hunskor) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1177-1178, adopt amendments as follows, and place HB 1229 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1177 and 1178 of the House Journal and page 890 of the Senate Journal and that Engrossed House Bill No. 1229 be 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 15.1-21 of the North Dakota Century Code, relating to health curriculum content.

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

**SECTION 1.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

##### **Health curriculum - Content.**

Beginning July 1, 2012, each school district and nonpublic school shall ensure that the portion of its health curriculum which is related to sexual health includes instruction pertaining to the risks associated with adolescent sexual activity and the social, psychological, and physical health gains to be realized by abstaining from sexual activity before and outside of marriage."

Renumber accordingly

Engrossed HB 1229 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. R. KELSCH MOVED** that the conference committee report on Engrossed HB 1229 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1229, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1229:** A BILL for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota Century Code, relating to health curriculum content.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 83 YEAS, 10 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Dahl; Damschen; DeKrey; Delzer; Devlin; Dosch; Frantsvog; Froseth;

Grande; Gruchalla; Guggisberg; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Speaker Drovdal

**NAYS:** Amerman; Conklin; Delmore; Glassheim; Hanson; Holman; Onstad; Sanford; Winrich; Zaiser

**ABSENT AND NOT VOTING:** Mueller

Reengrossed HB 1229 passed.

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#### **ANNOUNCEMENT**

**SPEAKER DROVDAL ANNOUNCED** that the House will stand in recess until 7:00 p.m.

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

#### **MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1015, HB 1229.

#### **MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2047.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: HB 1001.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1057.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1206.

#### **MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1451.

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

**MR. SPEAKER:** The President has signed: HB 1451.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2150, as reengrossed:** Your conference committee (Sens. Freborg, Flakoll, Heckaman and Reps. R. Kelsch, Monson, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1408-1442, adopt amendments as follows, and place SB 2150 on the Seventh order:

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be 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 6-09, a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to required transfers, regional education associations, the professional development advisory committee, North Dakota scholarships, and state aid; to amend and reenact sections 15.1-07-33, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6,

15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-22-02, 15.1-27-03, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-23, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and section 15.1-37-03 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, kindergartens, student consultations, state aid, school construction funding, and early childhood education, care, and services; to repeal section 5 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide an appropriation; to provide for compensation increases, transition payments, and the distribution of transportation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies and reports; to provide an effective date; to provide an expiration date; and to declare an emergency.

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

**SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Required transfer - Special education contract costs.**

If the industrial commission is notified by the superintendent of public instruction that, using all available sources, there are insufficient moneys with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount that the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the ensuing legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.



4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association—~~Joint powers agreement~~associations - Review by superintendent of public instruction - Criteria.**

~~Before~~In order for a group of school districts ~~may~~to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be 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 regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide 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~~must require 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 a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
  - a. During the first two school years in which a regional education association is operational, each participating school district 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 a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.

~~district shall share in at least three administrative functions and three student services, selected by the district.~~

~~e. During the fifth school year in which a regional education association 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 a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~
- 5. The joint powers agreement ~~provides~~must provide:
  - 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.
- 6-5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7-6. The joint powers agreement must:
  - a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;

- c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

- 1. Establish and administer a teacher support program;
- 2. Employ an individual to serve as a teacher support program coordinator;
- 3.
  - a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation – Diploma requirements diploma - Minimum units.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following ~~twenty-two units of high school coursework:~~

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - c. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
5. ~~a. One unit of physical education; or~~  
~~b. One-half unit of physical education and one-half unit of health;~~
6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~

- e. Fine arts; or
- d. Career and technical education courses; and
- 7. Any five additional units.
- 1. The twenty-two units of high school coursework set forth in section 10 of this Act; and
- 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 10.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and

- b. ~~Two~~ units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; ~~and~~
- e-7. ~~Completes three~~ Completed any five additional units, two of which must be in the area of career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~ Obtained a cumulative grade point average of at least ~~"B"~~ 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) ~~Obtained a grade of at least "C" in each unit or one-half unit; or~~
- b. (1) ~~Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and~~
- (2) ~~Obtained a grade of at least "C" in each unit or one-half unit; and~~
- 4-9. ~~Receives~~ Received:
  - a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~ One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~ One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. ~~Completes~~ Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or
  - (2) Two one-half units of any other science;



4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) One unit of fine arts or career and technical educationAmerican sign language; and
- ~~(3)b.~~ One unit of a foreign or nativeselected from:
  - (1) Foreign languages;
  - (2) Native American language, finelanguages;
  - (3) American sign language;
  - (4) Fine arts, or career; or
  - (5) Career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; or  
b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and
- 5-10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

- b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.
- ~~2-3.~~ A student is not entitled to receive more than six thousand dollars under this section.
- ~~3-4.~~ The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
- ~~4-5.~~ a. (1) This section does not require a student to be enrolled in consecutive semesters.
- (2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- ~~5-6.~~ A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.
7. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.

**SECTION 14.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board

shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.

- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.
2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.

**SECTION 15. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer a public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.
2. Beginning no later than the 2007-08 school year and annually thereafter, the The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 16. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of

discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.

3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 17. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and
  - c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 18. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board~~

shall either provide at least a half-day kindergarten program for ~~the any~~ student ~~enrolled in the district~~ or pay the tuition required for the student to attend ~~at least a half-day~~ a kindergarten program in another school district.

- ~~3-2.~~ The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 19. AMENDMENT.** Section 15.1-22-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-02. Public kindergarten - Requirements.**

A school district operating a kindergarten:

1. May not employ an individual as a kindergarten teacher unless the individual is licensed to teach by the education standards and practices board or approved by the education standards and practices board~~;~~
2. Shall submit to the superintendent of public instruction and follow a developmentally appropriate curriculum~~;~~
3. Shall provide ~~at least the equivalent of thirty full days of~~ kindergarten instruction, on a half-day or full-day basis, as determined by the school board~~;~~
4. Shall provide for a kindergarten instructional calendar equal to at least fifty percent of the full-time instructional days required in accordance with section 15.1-06-04;
- ~~5.~~ Shall apply all municipal and state health, fire, and safety requirements to the kindergarten~~;~~ and
- ~~5-6.~~ May not enroll a child who is not five years old before August first of the year of enrollment, unless the child will be five years old before December first and:
  - a. The child, by means of developmental and readiness screening instruments approved by the superintendent of public instruction and administered by the kindergarten operator, can demonstrate academic, social, and emotional readiness; or
  - b. The child has been enrolled in another approved kindergarten.

**SECTION 20. AMENDMENT.** Section 15.1-27-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03. Cost of education - Determination.**

1. The superintendent of public instruction shall determine the educational cost per student.
2. In determining the educational cost per student, the superintendent may not use:
  - a. Capital outlay for buildings~~;~~
  - b. Capital outlay for sites~~;~~
  - c. Capital outlay for debt service~~;~~
  - d. Expenditures for school activities~~;~~
  - e. Expenditures for school lunch programs~~;~~

- f. Expenditures for transportation costs, including schoolbuses; or
- g. Expenditures for early childhood education.

**SECTION 21. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~

- ~~e. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~on~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - ~~j-h.~~ 0.20 the number of full-time equivalent students who ~~on~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - ~~t-j.~~ 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students

enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;

~~m-l.~~ 0.07 the number of full-time equivalent students who ~~are~~:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;

~~n-m.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~

~~p.~~ ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 22. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~



- a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:

- a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
- b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
- c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~on~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j. ~~h.~~ 0.20 the number of full-time equivalent students who ~~on~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k. ~~i.~~ 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- l. ~~j.~~ ~~0.07~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.079 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. ~~i.~~ 0.07 the number of full-time equivalent students who ~~on~~:

- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n-m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~
- p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 23. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership--Determination.~~**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~

- d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

- 1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~on~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and ~~are~~
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- ~~j-h. 0.20 the number of full-time equivalent students who ~~on~~:~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and ~~are~~
  - (2) Are enrolled in a program of instruction for English language learners;
- ~~k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- ~~l-k. 0-070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~
- ~~l. 0.079 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- m. 0.07 the number of full-time equivalent students who ~~on~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat more~~ proficient and are ~~than~~ students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

- (2) Are enrolled in a program of instruction for English language learners; and
- (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
  - (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~
- p: ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 24. 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 rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~ten~~ dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~eighty dollars.
- 2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 25. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

- 1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:

- a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 26. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

- b. Multiplying that difference by the district's total average daily membership.
  3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
    - a. The district's general fund levy for the taxable year 2008; or
    - b. One hundred eighty-five mills.
  4.
    - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
    - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
    - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
  5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
  6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
    - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
    - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
  7. For purposes of this section:
    - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
    - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
      - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes



in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and

- (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 27. AMENDMENT.** Section 15.1-27-23 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-23. Weather or other emergency conditions - Closure of schools - State aid payments to school districts.**

1. If because of severe weather or other emergency conditions a public school or school district remains closed or provides less than a full day of instruction, the public school or school district shall make every effort to reschedule classes so that students receive at least ~~one hundred~~ seventy-three ~~the number of full instructional days of instruction required by section 15.1-06-04.~~
2. Any public school or school district for which the rescheduling of classes would create undue hardship may request that, for purposes of calculating state aid payments to the ~~school or~~ school district, the governor waive the rescheduling in whole or in part.
3. The governor may not grant a waiver for less than a full day of instruction. However, if a public school or school district closes for only a portion of its regular schoolday, the hours during which the school or school district is closed may be added together to determine the number of additional full days of instruction that may be waived under this section.

**SECTION 28. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. ~~(Effective through June 30, 2011) Payments to school districts -- Unobligated general fund balance -- Report to legislative council.~~**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that 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. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that 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.~~
2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~

- a. ~~(1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~
- ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
- b. ~~Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
- c. ~~Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~
- 3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

- 1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that 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. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that 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.~~
- 2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Distribution of remaining moneys.**

If any money remains in the grants - state aid line item after the superintendent complies with all statutory payment obligations imposed for a biennium, 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 30. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

- 1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans

under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.

2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fiftyone~~hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ten million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~fiftyone~~hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~two~~four million ~~five-hundred thousand~~ dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fiftyone~~hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be

acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.

8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.
11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 31. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1-a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2-b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3-c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - ~~d.~~ Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 32. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;

- g. The commissioner of commerce, or the commissioner's designee;
- h. The chairman of the senate education committee, or the chairman's designee;
- ~~h.i.~~ The chairman of the house of representatives education committee, or the chairman's designee; and
- ~~i.j.~~ The following gubernatorial appointees:
  - (1) The superintendent of a school district having at least one thousand students in average daily membership;
  - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
  - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
  - (4) ~~The principal of a school district;~~
  - (5) ~~An individual employed as an elementary school teacher;~~
  - (6) An individual representing a non-religious-based provider of preschool~~early childhood~~ education;
  - ~~(7)(5)~~ An individual representing a religious-based provider of preschool~~early childhood~~ education;
  - ~~(8)(6)~~ An individual representing a center-based licensed child care provider;
  - ~~(9)(7)~~ An individual representing a home-based licensed child care provider;
  - ~~(10)(8)~~ An individual representing a reservation-based head start program;
  - ~~(11)(9)~~ An elected member of a school board;
  - ~~(12)(10)~~ The parent of a child not yet enrolled in elementary school; ~~and~~
  - ~~(13)(11)~~ The parent of a child with special-needs~~disabilities~~ not yet enrolled in elementary school; and
  - (12) An individual representing children with disabilities.

**SECTION 33. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the delivery~~availability and provision~~ of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~

4. ~~Review~~ Identify opportunities for public and private sector collaboration in the delivery provision of early childhood education, care, and services in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative council assembly.

**SECTION 34. APPROPRIATION - SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** There is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the amount of the appropriation provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
3. The superintendent of public instruction may not expend more than \$2,500,000 in grants under this section during the first year of the biennium.
4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section.

**SECTION 35. APPROPRIATION - GEARING UP FOR KINDERGARTEN.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$625,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of supporting the gearing up for kindergarten program provided by the North Dakota state university extension service, for the biennium beginning July 1, 2011, and ending June 30, 2013. The North Dakota state university extension service may use up to \$125,000 of the amount appropriated for administrative purposes.

**SECTION 36. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 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 at the rate of:

- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

#### **SECTION 37. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 38. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the second year of the 2011-13 biennium, the superintendent of public instruction shall expend up to \$300,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.
2. In order to determine the amount that a school district may receive under this section, the superintendent of public instruction shall multiply by a factor of .15 the number of students in grades six through eight who are enrolled in an alternative education program for at least fifteen hours per week.
3. If the expenditure authorized in this section is insufficient for providing grants to all eligible school districts, the superintendent of public instruction shall prorate the grants based on the percentage of the total to which each school district is entitled.

#### **SECTION 39. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money available during the 2011-13 biennium by:
  - a. Determining the total amount of dollars in the grants - state school aid line item in the 2011-13 appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly and subtracting from that amount:



- (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) PowerSchool acquisition, implementation, and utilization moneys; and
    - (4) Contingent distributions;
  - b. Determining the total amount of dollars in the grants - state school aid line item and in the grants - supplemental line item in the 2009-11 appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) Technology support payments; and
    - (4) Contingent distributions; and
  - c. Subtracting the amount arrived at under subdivision b from the amount arrived at under subdivision a.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
  4.
    - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
    - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
    - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 40. EDUCATION FUNDING AND TAXATION COMMITTEE -  
CREATION - STUDY.**

1. The education funding and taxation committee consists of the following eight members:
  - a. The house majority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - b. The house minority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - c. The senate majority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;

- d. The senate minority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - e. The chairman of the house education committee, or the chairman's designee;
  - f. The chairman of the house finance and taxation committee, or the chairman's designee;
  - g. The chairman of the senate education committee, or the chairman's designee; and
  - h. The chairman of the senate finance and taxation committee, or the chairman's designee.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
  3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
  4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 41. ADULT EDUCATION - STUDY.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 42. ALTERNATIVE EDUCATION - MIDDLE SCHOOL - DATA COLLECTION - REPORT.**

1. The superintendent of public instruction shall collect data regarding the provision of services to students in grades six through eight who are enrolled in an alternative education program for at least an average of fifteen hours per week. The data must include:
  - a. The number of school districts offering alternative education programs to students in grades six through eight;
  - b. The number of students in grades six through eight who are enrolled in alternative education programs;
  - c. The number of students in grades six through eight who are enrolled in alternative education programs and who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
  - d. The average number of hours per week that students in grades six through eight are spending in alternative education programs;
  - e. A quantification of the students' academic accomplishments; and
  - f. Any reductions in the number of students enrolled in alternative high schools.
2. Before October 1, 2012, the superintendent of public instruction shall report the data to the legislative management.

**SECTION 43. REPEAL.** Section 5 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 44. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 45. EFFECTIVE DATE.** Section 22 of this Act becomes effective on July 1, 2012. Section 43 of this Act becomes effective on July 1, 2013.

**SECTION 46. EFFECTIVE DATE - EXPIRATION DATE.** Section 23 of this Act is effective on July 1, 2013, through June 30, 2015, and after that date is ineffective.

**SECTION 47. EMERGENCY.** Sections 27 and 40 of this Act are declared to be an emergency measure."

Renumber accordingly

Reengrossed SB 2150 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. R. KELSCH MOVED** that the conference committee report on Reengrossed SB 2150 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2150, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2150:** A BILL for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and eight new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies; 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 79 YEAS, 14 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boehning; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Devlin; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kilichowski; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Rust; Sanford; Schmidt; Skarphol; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weisz; Williams; Winrich; Zaiser; Speaker Drovda

**NAYS:** Boe; Brabandt; Delzer; Dosch; Kasper; Kempenich; Louser; Ruby; Schatz; Steiner;

Streyle; Weiler; Wieland; Wrangham

**ABSENT AND NOT VOTING:** Mueller

Reengrossed SB 2150 passed and the emergency clause was declared carried.

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### REPORT OF CONFERENCE COMMITTEE

**SB 2013, as engrossed:** Your conference committee (Sens. Holmberg, Wardner, Robinson and Reps. Monson, R. Kelsch, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1442-1449, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1442-1449 of the Senate Journal and pages 1534-1541 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide an appropriation to the information technology department; to provide an appropriation to the North Dakota university system office;"

Page 1, line 4, replace "alternative education program" with "continuing education"

Page 1, line 4, after "programs" insert "and medicaid matching funds,"

Page 1, line 4, remove "to"

Page 1, line 5, remove "provide a contingent appropriation;"

Page 1, line 10, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, replace line 24 with:

"Operating expenses	30,770,801	(1,087,614)	29,683,187"
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Page 2, replace line 1 with:

"Grants - State school aid	722,725,958	195,733,520	918,459,478"
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Page 2, replace lines 6 and 7 with:

"Grants - Other grants	245,203,721	58,780,672	303,984,393
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Grants - Mill levy reduction	295,000,000	(295,000,000)	0"
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Page 2, replace lines 11 through 13 with:

"Total all funds	\$1,468,777,356	(\$116,008,282)	\$1,352,769,074
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Less estimated income	<u>360,597,766</u>	<u>90,605,657</u>	<u>451,203,423</u>
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Total general fund	\$1,108,179,590	(\$206,613,939)	\$901,565,651"
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Page 3, replace lines 22 through 24 with:

"Grand total general fund	\$1,122,401,382	(\$194,924,744)	\$927,476,638
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Grand total special funds	<u>364,672,954</u>	<u>91,588,177</u>	<u>456,261,131</u>
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Grand total all funds	\$1,487,074,336	(\$103,336,567)	\$1,383,737,769"
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Page 4, remove line 21

Page 4, replace line 24 with:

"Total school for the blind - All funds	\$70,200	\$70,000"
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Page 4, replace lines 26 and 27 with:

"Total school for the blind - General fund	\$70,200	\$70,000
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Grand total - All funds	\$156,055,588	\$557,800"
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Page 4, replace line 29 with:

"Grand total - General fund	\$2,197,200	\$557,800"
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Page 5, after line 3, insert:

**"SECTION 3. ONE-TIME FUNDING - EDUCATION JOBS FUNDS.** The federal education jobs funding of \$21,517,716 appropriated to the superintendent of public instruction in subdivision 1 of section 1 of this Act is one-time funding for the 2011-13 biennium. The superintendent of public instruction may not request funding from the general fund to replace this one-time funding in its base budget request for the 2013-15 biennium.

**SECTION 4. APPROPRIATION - STAGENET CONNECTIVITY - INFORMATION TECHNOLOGY DEPARTMENT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$131,000, or so much of the sum as may be necessary, to the information technology department for the purpose of completing school district connectivity to STAGEnet, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 5. APPROPRIATION - SCHOLARSHIP PROGRAMS - STATE BOARD OF HIGHER EDUCATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of providing North Dakota academic and career and technical education scholarships, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 5, remove lines 13 through 18

Page 6, after line 7, insert:

**"SECTION 10. RESERVED FUNDS - CONTINGENT ADULT EDUCATION LEARNING CENTER GRANTS.** The sum of \$500,000, or so much of the sum as may be necessary, made available under section 19 of this Act, must be used by the department of public instruction for providing adult education learning center grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department may provide grants of up to \$250,000 during the first year of the biennium only if federal funding available to the state for adult education is less than \$900,000 in federal fiscal year 2012. Funding provided in the first year of the biennium is limited to the difference between federal funding available in federal fiscal year 2012 and \$900,000. The department may use any remaining funds for adult education learning center grants during the second year of the biennium.

**SECTION 11. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The sum of \$100,000, or so much of the sum as may be necessary, included in the grants - other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
  - a. (1) Be licensed to teach by the education standards and practices board;

- (2) Have taught in this state during each of the last three school years; and
- (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;
- b. Be pursuing the requirements for a certificate in career development facilitation; or
- c. Be pursuing a school counselor credential.
- 2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district."

Page 6, remove lines 8 through 16

Page 6, line 17, after the first boldfaced dash insert **"MEDICAID MATCHING -"**

Page 6, line 17, after the second boldfaced period insert:

"1."

Page 6, line 23, after the period insert:

"2."

Page 6, remove lines 29 through 31

Page 7, remove lines 1 through 5

Page 8, remove lines 13 through 31

Page 9, remove lines 1 through 18

Page 11, line 6, after "b." insert "Reserve the next five hundred thousand dollars, which is not subject to the provisions of section 54-44.1-11 and must be used in accordance with section 10 of this Act.

c."

Page 11, line 13, replace "54-44.1-1-11" with "54-44.1-11"

Page 11, after line 13, insert:

**"SECTION 21. LEGISLATIVE INTENT - 2013-15 SCHOOL FOR THE DEAF APPROPRIATION BILL.** It is the intent of the sixty-second legislative assembly that that the school for the deaf remain under the control of the superintendent of public instruction during the 2011-13 biennium and that the governor include the recommended funding for the school for the deaf in a separate draft appropriations act for introduction to the sixty-third legislative assembly."

Page 11, line 21, replace "3, 17, and 18" with "6, 18, and 19"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2013 - Summary of Conference Committee Action

	Budget	Version	Committee Changes	Committee Version	Version	to House
Information Technology Department						
Total all funds	\$0	\$0	\$131,000	\$131,000	\$0	\$131,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$131,000	\$131,000	\$0	\$131,000
Department of Public Instruction						
Total all funds	\$1,694,573,163	\$1,694,606,663	(\$341,837,589)	\$1,352,769,074	\$1,352,769,074	\$0
Less estimated income	792,508,423	792,993,423	(341,790,000)	451,203,423	451,203,423	0
General fund	\$902,064,740	\$901,613,240	(\$47,589)	\$901,565,651	\$901,565,651	\$0
University System Office						
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$0
Less estimated income	0	0	0	0	10,000,000	(10,000,000)
General fund	\$0	\$0	\$10,000,000	\$10,000,000	\$0	\$10,000,000
State Library						
Total all funds	\$7,398,585	\$7,398,585	\$0	\$7,398,585	\$7,398,585	\$0
Less estimated income	2,134,610	2,134,610	0	2,134,610	2,134,610	0
General fund	\$5,263,975	\$5,263,975	\$0	\$5,263,975	\$5,263,975	\$0
School for the Deaf						
Total all funds	\$8,806,779	\$8,806,779	\$0	\$8,806,779	\$8,806,779	\$0
Less estimated income	2,088,007	2,088,007	0	2,088,007	2,088,007	0
General fund	\$6,718,772	\$6,718,772	\$0	\$6,718,772	\$6,718,772	\$0
Vision Services - School for the Blind						
Total all funds	\$4,915,331	\$4,632,331	\$0	\$4,632,331	\$4,632,331	\$0
Less estimated income	835,091	835,091	0	835,091	835,091	0
General fund	\$4,080,240	\$3,797,240	\$0	\$3,797,240	\$3,797,240	\$0
Bill total						
Total all funds	\$1,715,693,858	\$1,715,444,358	(\$331,706,589)	\$1,383,737,769	\$1,383,606,769	\$131,000
Less estimated income	797,566,131	798,051,131	(341,790,000)	456,261,131	466,261,131	(10,000,000)
General fund	\$918,127,727	\$917,393,227	\$10,083,411	\$927,476,638	\$917,345,638	\$10,131,000

### Senate Bill No. 2013 - Information Technology Department - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Complete Connectivity to STAGEnet			\$131,000	\$131,000		\$131,000
Total all funds	\$0	\$0	\$131,000	\$131,000	\$0	\$131,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$131,000	\$131,000	\$0	\$131,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Department No. 112 - Information Technology Department - Detail of Conference Committee Changes

	Adds Funding for STAGEnet <sup>1</sup>	Total Conference Committee Changes
Complete Connectivity to STAGEnet	\$131,000	\$131,000
Total all funds	\$131,000	\$131,000
Less estimated income	0	0
General fund	\$131,000	\$131,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides funding to complete school district connectivity to STAGEnet. This funding was not provided by the House or the Senate.

### Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$14,409,300	\$14,409,300		\$14,409,300	\$14,409,300	
Operating expenses	29,651,187	29,751,187	(68,000)	29,683,187	29,683,187	
Grants - State school aid	919,459,478	919,459,478	(1,000,000)	918,459,478	912,759,478	5,700,000
Grants - Special education contracts	16,000,000	16,000,000		16,000,000	16,000,000	
Grants - Transportation	48,500,000	48,500,000		48,500,000	48,500,000	
Grants - Other education	302,730,482	302,963,982	1,020,411	303,984,393	309,384,393	(5,400,000)
Grants - Mill levy reduction	341,790,000	341,790,000	(341,790,000)			
ATCS review panel	300,000				300,000	(300,000)
Education jobs fund	21,517,716	21,517,716		21,517,716	21,517,716	
Transportation efficiency	30,000	30,000		30,000	30,000	
National board certification	185,000	185,000		185,000	185,000	
Total all funds	\$1,694,573,163	\$1,694,606,663	(\$341,837,589)	\$1,352,769,074	\$1,352,769,074	\$0
Less estimated income	792,508,423	792,993,423	(341,790,000)	451,203,423	451,203,423	0
General fund	\$902,064,740	\$901,613,240	(\$47,589)	\$901,565,651	\$901,565,651	\$0
FTE	99.75	99.75	0.00	99.75	99.75	0.00

### Department No. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	Increases Funding for Grants <sup>1</sup>	Increases Funding for Adult Education Grants <sup>2</sup>	Adjusts State School Aid <sup>3</sup>	Adjusts Funding for Alternative Education Program Grants <sup>4</sup>	Decreases Funding for the Professional Development Advisory Committee <sup>5</sup>	Removes Funding for Mill Levy Reduction Grants <sup>6</sup>
Salaries and wages					(68,000)	
Operating expenses						
Grants - State school aid			(1,000,000)			
Grants - Special education contracts						
Grants - Transportation						
Grants - Other education	120,000	1,060,411		(160,000)		
Grants - Mill levy reduction						(341,790,000)
ATCS review panel						
Education jobs fund						
Transportation efficiency						
National board certification						
Total all funds	\$120,000	\$1,060,411	(\$1,000,000)	(\$160,000)	(\$68,000)	(\$341,790,000)
Less estimated income	0	0	0	0	0	(341,790,000)
General fund	\$120,000	\$1,060,411	(\$1,000,000)	(\$160,000)	(\$68,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	
Operating expenses	(68,000)
Grants - State school aid	(1,000,000)
Grants - Special education contracts	
Grants - Transportation	
Grants - Other education	1,020,411
Grants - Mill levy reduction	(341,790,000)
ATCS review panel	
Education jobs fund	
Transportation efficiency	
National board certification	
Total all funds	(\$341,837,589)
Less estimated income	(341,790,000)
General fund	(\$47,589)
FTE	0.00



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<sup>1</sup> Funding for general fund grants is increased, the same as the House version, as follows:

	<b>Increase</b>	<b>Total Provided</b>
Atlantic Brucke/Atlantic Forum	\$30,000	\$105,000
North Central Council for School Television	40,000	485,000
Governor's School	<u>50,000</u>	<u>460,000</u>
Total	\$120,000	\$1,050,000

<sup>2</sup> Funding for adult education learning center grants is increased to provide a total of \$3,110,411 from the general fund, the same as the House version.

In addition, Section 59 of Chapter 175 of the 2009 Session Laws is amended to provide that, after reserving the first \$8 million of 2009-11 biennium unobligated state school aid for per student payments during the 2011-13 biennium, the next \$500,000 is reserved for adult education learning center grants. The \$500,000 is available to the department for additional adult education learning center grants if federal funding for adult education received by the department is less than \$900,000 in any year of the 2011-13 biennium. The department may only spend up to \$250,000 of these funds during the first year of the biennium. The House also included this provision.

<sup>3</sup> State school aid is adjusted to reflect the following changes to the weighting factors and per student payment rates adopted by the conference committee on Senate Bill 2150:

- \$2,300,000 - Increase relating to an increase in the formula weighting factor for special education. The executive recommendation included, and the House and Senate versions approved an increase in the special education weighting factor from .07 to .073 for the 2011-13 biennium. The conference committee provided an increase from .073 to .079 during the second year of the biennium.
- (\$3,300,000) - Decrease relating to changes to the per student payment rates provided in the conference committee report on Senate Bill No. 2150 compared to the Senate version of Senate Bill No. 2150.

<sup>4</sup> Funding for alternative education program grants added by the Senate is adjusted to provide a total of \$300,000. The executive recommendation did not include the alternative education program grants, and the House included legislative intent regarding the grants in Senate Bill No. 2150, but funding for the grants was not included in the House version of Senate Bill No. 2013.

<sup>5</sup> Funding is reduced to reflect a limit on the number of meetings of the Professional Development Advisory Committee in Senate Bill No. 2150, the same as the House version.

<sup>6</sup> Funding for mill levy reduction grants from the property tax sustainability fund included in the executive recommendation is removed, the same as the House. Funding is provided from the general fund in House Bill No. 1047.

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This amendment removes:

- Section 5 relating to mill levy reduction grants, the same as the House.
- Section 8 relating to alternative education program grants, the same as the House. The distribution of the alternative middle school grants is provided in Senate Bill No. 2150.
- Section 10 relating to the teacher of the year program, the same as the House.
- Section 16 relating to a contingent appropriation for school district deferred maintenance and physical plant improvement grants, the same as the House.

This amendment does not include a section added by the House which would have reduced the 2009-11 contingent supplemental transportation aid payment by \$2.5 million, from \$5

million to \$2.5 million.

Sections are added to the bill relating to:

- The distribution of continuing education grants, the same as the House.
- The distribution of unobligated 2009-11 state school aid reserved for adult education learning center grants.
- A separate budget bill for the North Dakota School for the Deaf for the 2013 legislative session rather than in the appropriation bill for the Department of Public Instruction, the same as the House.
- One-time funding from federal education jobs funding. This was not included in the Senate or House versions.

In addition, Section 9 of the bill relating to the gifted and talented program and Medicaid matching funds is amended to more clearly distinguish distribution, and Section 18 of the bill relating to an amendment of Section 59 of Chapter 175 of the 2009 Session Laws is amended to reserve an additional \$500,000 of unobligated 2009-11 state school aid for 2011-13 adult education learning center grants, the same as the House.

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### Senate Bill No. 2013 - University System Office - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
North Dakota Scholarship Program					\$10,000,000	(\$10,000,000)
North Dakota scholarship program			10,000,000	10,000,000		10,000,000
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$0
Less estimated income	0	0	0	0	10,000,000	(10,000,000)
General fund	\$0	\$0	\$10,000,000	\$10,000,000	\$0	\$10,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Department No. 215 - University System Office - Detail of Conference Committee Changes

	Provides Funding for the North Dakota Scholarship Program <sup>1</sup>	Total Conference Committee Changes
North Dakota Scholarship Program		
North Dakota scholarship program	10,000,000	10,000,000
Total all funds	\$10,000,000	\$10,000,000
Less estimated income	0	0
	\$10,000,000	\$10,000,000
General fund		
FTE	0.00	0.00

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<sup>1</sup> This amendment adds a section providing \$10 million for North Dakota academic and career and technical education scholarships from the general fund. The Senate approved a continuing appropriation from the lands and minerals trust fund to provide for these scholarships and the House removed the continuing appropriation to provide a biennial appropriation from the lands and minerals trust fund.

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### Senate Bill No. 2013 - State Library - Conference Committee Action

The conference committee did not change the Senate version for the State Library, the same

as the House.

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**Senate Bill No. 2013 - School for the Deaf - Conference Committee Action**

The conference committee did not change the Senate version for the School for the Deaf, the same as the House.

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**Senate Bill No. 2013 - Vision Services - School for the Blind - Conference Committee Action**

The conference committee did not change the Senate version for North Dakota Vision Services - School for the Blind, the same as the House.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. MONSON MOVED** that the conference committee report on Engrossed SB 2013 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2013, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation to the information technology department; to provide an appropriation to the North Dakota university system office; to provide for the distribution of funding for regional education association grants, continuing education grants, gifted and talented programs and medicaid matching funds, and other grants; 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; to repeal section 15.1-13-33 of the North Dakota Century Code, relating to the national board certification fund; to provide an exemption; to provide for a transfer; to amend and reenact sections 54 and 59 of chapter 175 of the 2009 Session Laws, relating to funds appropriated for transportation and state school aid; to provide a statement of legislative intent; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

**NAYS:** Ruby

**ABSENT AND NOT VOTING:** Mueller

Engrossed SB 2013, as amended, passed and the emergency clause was declared carried.

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**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2013, SB 2150.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2004.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2016.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1229.

**MOTION**

**REP. VIGESAA MOVED** that the absent member be excused, which motion prevailed.

**MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Wednesday, April 27, 2011, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2004, as engrossed:** Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reps. Dahl, Thoreson, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1115-1116, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1115 and 1116 of the Senate Journal and pages 1205 and 1206 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 2, line 5, replace "shall" with "may"

Page 2, line 9, after "review" insert ", if conducted,"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
State Auditor						
Total all funds	\$9,571,330	\$9,571,330	\$0	\$9,571,330	\$9,571,330	\$0
Less estimated income	2,427,522	2,427,522	0	2,427,522	2,427,522	0
General fund	\$7,143,808	\$7,143,808	\$0	\$7,143,808	\$7,143,808	\$0
Legislative Council						
Total all funds	\$0	\$100,000	\$0	\$100,000	\$0	\$100,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$100,000	\$0	\$100,000	\$0	\$100,000
Bill total						
Total all funds	\$9,571,330	\$9,671,330	\$0	\$9,671,330	\$9,571,330	\$100,000
Less estimated income	2,427,522	2,427,522	0	2,427,522	2,427,522	0
General fund	\$7,143,808	\$7,243,808	\$0	\$7,243,808	\$7,143,808	\$100,000

**Senate Bill No. 2004 - Legislative Council - Conference Committee Action**

This amendment changes Section 3 relating to the performance review of the State Auditor's office.

Engrossed SB 2004 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2016, as engrossed:** Your conference committee (Sens. Grindberg, Holmberg, Warner and Reps. Klein, Brandenburg, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1292-1295, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 1292-1295 of the Senate Journal and pages 1447-1450 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 4, after the semicolon insert "to provide legislative intent;"

Page 1, replace lines 17 and 18 with:

"Capital assets	223,670	331,082	554,752
Grants	449,514	60,000	509,514"

Page 2, replace lines 13 and 14 with:

"Radio communications	<u>0</u>	<u>3,735,000</u>	<u>3,735,000</u>
Total all funds	\$58,379,929	\$93,418,963	\$151,798,892"

Page 2, replace line 16 with:

"Total general fund	\$5,829,060	\$7,087,356	\$12,916,416"
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Page 2, replace lines 21 through 23 with:

"Grand total general fund	\$21,789,867	\$7,563,688	\$29,353,555
Grand total special funds	<u>119,888,101</u>	<u>110,716,277</u>	<u>230,604,378</u>
Grand total all funds	\$141,677,968	\$118,279,965	\$259,957,933"

Page 3, replace line 11 with:

"State radio tower package	0	1,500,000"
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Page 3, replace lines 14 and 15 with:

"Armory grants	0	60,000
Extraordinary repairs	<u>0</u>	<u>325,381</u>
Total all funds	\$135,719,117	\$5,818,428"

Page 3, replace line 17 with:

"Total general fund	\$18,935,347	\$5,318,428"
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Page 3, after line 21, insert:

**"SECTION 3. APPROPRIATION - FLOOD-RELATED COSTS.** There is appropriated from special funds derived from federal funds or other income the sum

of \$22,500,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of defraying expenses relating to 2011 flood disasters, for the period beginning with the effective date of this Act through June 30, 2013."

Page 3, line 30, replace ", subject to emergency commission approval, any additional funds" with "out of any moneys"

Page 4, line 1, replace "as determined necessary by" with "not otherwise appropriated, the sum of \$3,500,000, or so much of the sum as may be necessary, to"

Page 4, line 1, after "for" insert "the purpose of providing the required state share of funding for"

Page 4, line 2, replace "of" with "associated with presidential-declared"

Page 4, line 16, replace "and" with ", the"

Page 4, line 16, after the second "study" insert ", and for a new state radio tower site near Wales"

Page 4, line 18, replace "these studies" with "the next generation 911 study and the state radio tower study and for state radio tower enhancements or additions"

Page 5, after line 29, insert:

**"SECTION 10. LEGISLATIVE INTENT - STATE RADIO TOWER PACKAGE.**

It is the intent of the sixty-second legislative assembly that the adjutant general work with other public agencies and private sector entities to maximize the number of state radio tower enhancements or additions that may be implemented within the funding appropriated in subdivision 2 of section 1 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 5, line 30, replace "Section 4" with "Sections 3 and 5"

Page 5, line 30, replace "is" with "are"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2016 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Adjutant General						
Total all funds	\$82,159,041	\$82,159,041	\$26,000,000	\$108,159,041	\$85,659,041	\$22,500,000
Less estimated income	65,721,902	65,721,902	26,000,000	91,721,902	69,221,902	22,500,000
General fund	\$16,437,139	\$16,437,139	\$0	\$16,437,139	\$16,437,139	\$0
Department of Emergency Services						
Total all funds	\$151,704,462	\$152,298,892	(\$500,000)	\$151,798,892	\$151,798,892	
Less estimated income	138,482,476	138,882,476	0	138,882,476	138,882,476	
General fund	\$13,221,986	\$13,416,416	(\$500,000)	\$12,916,416	\$12,916,416	\$0
Bill total						
Total all funds	\$233,863,503	\$234,457,933	\$25,500,000	\$259,957,933	\$237,457,933	\$22,500,000
Less estimated income	204,204,378	204,604,378	26,000,000	230,604,378	208,104,378	22,500,000
General fund	\$29,659,125	\$29,853,555	(\$500,000)	\$29,353,555	\$29,353,555	\$0

**Senate Bill No. 2016 - Adjutant General - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$5,153,886	\$5,153,886		\$5,153,886	\$5,153,886	
Operating expenses	4,062,891	4,062,891		4,062,891	4,062,891	
Capital assets	614,752	614,752	(60,000)	554,752	554,752	

Grants	449,514	449,514	60,000	509,514	509,514	
Civil Air Patrol	243,353	243,353		243,353	243,353	
Tuition, recruiting, and retention	2,407,500	2,407,500		2,407,500	2,407,500	
Air Guard contract	10,989,323	10,989,323		10,989,323	10,989,323	
Army Guard contract	56,110,757	56,110,757		56,110,757	56,110,757	
Reintegration program	1,550,149	1,550,149		1,550,149	1,550,149	
Veterans' Cemetery	576,916	576,916		576,916	576,916	
Additional state disaster relief funding			3,500,000	3,500,000	3,500,000	
Funding for flood-related disasters			22,500,000	22,500,000		22,500,000
Total all funds	\$82,159,041	\$82,159,041	\$26,000,000	\$108,159,041	\$85,659,041	\$22,500,000
Less estimated income	65,721,902	65,721,902	26,000,000	91,721,902	69,221,902	22,500,000
General fund	\$16,437,139	\$16,437,139	\$0	\$16,437,139	\$16,437,139	\$0
FTE	179.00	179.00	0.00	179.00	179.00	0.00

### Department No. 540 - Adjutant General - Detail of Conference Committee Changes

	Reduces Capital Assets for Extraordinary Repairs <sup>1</sup>	Adds Funding for Grants to Armories <sup>2</sup>	Adds State Disaster Relief Fund Spending Authority <sup>3</sup>	Appropriates Funding for Flood-Related Disasters <sup>4</sup>	Total Conference Committee Changes
Salaries and wages					
Operating expenses					
Capital assets	(60,000)				(60,000)
Grants		60,000			60,000
Civil Air Patrol					
Tuition, recruiting, and retention					
Air Guard contract					
Army Guard contract					
Reintegration program					
Veterans' Cemetery					
Additional state disaster relief funding			3,500,000		3,500,000
Funding for flood-related disasters				22,500,000	22,500,000
Total all funds	(\$60,000)	\$60,000	\$3,500,000	\$22,500,000	\$26,000,000
Less estimated income	0	0	3,500,000	22,500,000	26,000,000
	(\$60,000)	\$60,000	\$0	\$0	\$0
General fund					
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding provided for one-time extraordinary repairs is reduced by \$60,000, from \$385,381 to \$325,381. This reduction was included in the House version of the bill, but not the Senate version.

<sup>2</sup> Funding is added for grants to the 18 municipal-owned armories to be distributed proportionately based on rental rates. This addition was included in the House version of the bill, but not the Senate version.

<sup>3</sup> The amendment changes Section 4 to limit the Adjutant General's additional spending authority from the state disaster relief fund to \$3.5 million to provide the state share of funding for expenses associated with presidential-declared state disasters pursuant to Section 37-17.1-27. The House limited the funding to the state share of funding to match federal funds for expenses associated with presidential-declared state disasters pursuant to Section 37-17.1-27.

<sup>4</sup> This amendment appropriates \$22.5 million of federal funds to the Adjutant General for expenses relating to the 2011 flood disaster. This funding was not appropriated in either the House or Senate versions of the bill.

The conference committee amendment does not include a new section to Chapter 37-17.1 added by the House requiring written confirmation of federal disaster funding prior to a political subdivision contracting for the related construction or repair projects.

### Senate Bill No. 2016 - Department of Emergency Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$11,363,744	\$11,363,744		\$11,363,744	\$11,363,744	
Operating expenses	9,335,592	9,930,022		9,930,022	9,930,022	
Capital assets	2,327,347	2,427,347		2,427,347	2,427,347	
Grants	71,419,771	71,419,771		71,419,771	71,419,771	
2009 flood disaster	52,923,008	52,923,008		52,923,008	52,923,008	
Radio communications	4,335,000	4,235,000	(500,000)	3,735,000	3,735,000	
Total all funds	\$151,704,462	\$152,298,892	(\$500,000)	\$151,798,892	\$151,798,892	\$0
Less estimated income	138,482,476	138,882,476	0	138,882,476	138,882,476	0
General fund	\$13,221,986	\$13,416,416	(\$500,000)	\$12,916,416	\$12,916,416	\$0
FTE	63.00	63.00	0.00	63.00	63.00	0.00

### Department No. 542 - Department of Emergency Services - Detail of Conference Committee Changes

	Reduces Funding for State Radio Tower Enhancements <sup>1</sup>	Total Conference Committee Changes
Salaries and wages		
Operating expenses		
Capital assets		
Grants		
2009 flood disaster		
Radio communications	(500,000)	(500,000)
Total all funds	(\$500,000)	(\$500,000)
Less estimated income	0	0
General fund	(\$500,000)	(\$500,000)
FTE	0.00	0.00

<sup>1</sup> One-time funding provided for State Radio tower enhancements is reduced by \$500,000, from \$2 million to \$1.5 million, the same as the House version.

The amendment provides that unexpended amounts appropriated in the 2009-11 biennium relating to a new State Radio tower site near Wales may continue into the 2011-13 biennium for new State Radio tower enhancements or additions. This authority was not included in the House or Senate versions of the bill.

A section of legislative intent is added to provide that the Adjutant General work with public and private sector entities to maximize the number of State Radio tower enhancements or additions that may be implemented within the funding provided. This section was also included in the House version.

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

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

**Buell J. Reich, Chief Clerk**