

JOURNAL OF THE HOUSE

Sixty-second Legislative Assembly

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Bismarck, April 11, 2011

The House convened at 8:00 a.m., with Speaker Drovdal presiding.

The prayer was offered by Representative Stacey Dahl, District 42, Grand Forks.

The roll was called and all members were present except Representatives Bellew, Holman, Weisz, and Wieland.

A quorum was declared by the Speaker.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do not concur in the Senate amendments to HB 1006 as printed on HJ pages 1413-1414 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1006: Reps. Kempenich, Dahl, Glassheim.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1014 as printed on HJ pages 1491-1494 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1014: Reps. Brandenburg, Thoreson, Kroeber.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1021 as printed on HJ pages 1418-1420 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1021: Reps. Thoreson, Pollert, Glassheim.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGESAA MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2327, which motion prevailed.

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed SB 2327: Reps. Grande, Paur, Amerman

SIXTH ORDER OF BUSINESS

SPEAKER DROVDAL DEEMED approval of the amendments to Engrossed SB 2020.

Engrossed SB 2020, as amended, was placed on the Fourteenth order of business on today's calendar.

SECOND READING OF SENATE BILL

SB 2020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to create and enact a new section to chapter 61-04 of the

North Dakota Century Code, relating to metering certain water sources; to amend and reenact section 7 of chapter 20 of the 2009 Session Laws, relating to Fargo flood control project funding; to provide exemptions; to provide legislative intent; to provide for retroactive application; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; 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; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trotter; Vigasaa; Wall; Weiler; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

ABSENT AND NOT VOTING: Bellew; Weisz; Wieland

Reengrossed SB 2020 passed and the emergency clause was declared carried.

SIXTH ORDER OF BUSINESS

SB 2008: REP. KEMPENICH (Appropriations Committee) MOVED that the amendments on HJ pages 1521-1522 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

REP. J. NELSON REQUESTED that the House divide the amendments to SB 2008, which request was granted.

DIVISION A:

Page 1, replace line 17 with:

"Rail rate complaint case	900,000	(900,000)	0"
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DIVISION B:

The remainder of the proposed amendments to SB 2008.

REQUEST

REP. J. NELSON REQUESTED a recorded roll call vote on Division A of the proposed amendments to SB 2008, which request was granted.

ROLL CALL

The question being the adoption of Division A of the proposed amendments to SB 2008, the roll was called and there were 26 YEAS, 66 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Belter; Boehning; Brabandt; Carlson; Dahl; Delzer; Dosch; Grande; Kasper; Kempenich; Klein; Koppelman; Louser; Martinson; Meier, L.; Nathe; Owens; Rohr; Ruby; Schatz; Skarphol; Steiner; Streyle; Thoreson; Weiler; Speaker Drovdal

NAYS: Amerman; Anderson; Beadle; Boe; Brandenburg; Clark; Conklin; Damschen; DeKrey; Delmore; Devlin; Frantsvog; Froseth; Glassheim; 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; Klemin; Kreidt; Kretschmar; Kreun; Kroeber;

Maragos; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nelson, J.; Nelson, M.; Onstad; Paur; Pietsch; Pollert; Porter; Rust; Sanford; Schmidt; Sukut; Trottier; Vigesaa; Wall; Weisz; Williams; Winrich; Wrangham; Zaiser

ABSENT AND NOT VOTING: Bellew; Wieland

Division A of the proposed amendments to SB 2008 failed on a recorded roll call vote.

The question being the adoption of Division B of the proposed amendments to SB 2008, the motion passed on a voice vote.

Division B of the proposed amendments to SB 2008 was adopted on a voice vote.

The question being on the motion to adopt the amendments to SB 2008 which consists of Division B only, the motion failed on a voice vote.

SECOND READING OF SENATE BILL

SB 2008: A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 49-01-05 of the North Dakota Century Code, relating to the salary of public service commissioners; and to provide for a legislative management study.

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 82 YEAS, 10 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Devlin; Dosch; Frantsovog; Froseth; Glassheim; 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; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Rust; Sanford; Schmidt; Steiner; Sukut; Trottier; Vigesaa; Wall; Weiler; Weisz; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

NAYS: Delzer; Grande; Kasper; Kempenich; Mueller; Ruby; Schatz; Skarphol; Streyle; Thoreson

ABSENT AND NOT VOTING: Bellew; Wieland

Engrossed SB 2008 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. R. KELSCH MOVED that the conference committee report on Engrossed HB 1092 as printed on HJ page 1524 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1092, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1092: A BILL for an Act to create and enact a new subsection to section 15-20.4-02 of the North Dakota Century Code, relating to exemption of certain institutions from regulation by the state board for career and technical education; and to amend and reenact subsection 2 of section 15-20.4-03 and subsections 2 and 12 of section 43-12.1-04 of the North Dakota Century Code, relating to authorization to operate academic or professional postsecondary educational institutions and exemptions from the Nurse Practices Act.

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,

0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; 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; Mueller; 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; Weiler; Weisz; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

ABSENT AND NOT VOTING: Bellew; Wieland

Reengrossed HB 1092 passed.

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.

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 Sixty-third Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1439, line 46, delete "of Representatives "

Page 1440, line 2, replace "1164," with "1164"

Page 1440, lines 13 and 14, delete "and has committee recommendation of DO PASS, "

Page 1447, line 14, after "2011" insert ", as amended"

Page 1454, lines 28 and 29, delete ", and has committee recommendation of DO PASS"

Page 1459, lines 18 and 20, delete "Engrossed "

Page 1459, line 41, replace "Reengrossed" with "Engrossed"

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

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1004 as printed on HJ pages 1489-1491 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1004: Reps. Bellew, J. Nelson, Kaldor.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1019 as printed on HJ pages 1417-1418 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1019:

Reps. Skarphol, Dosch, Williams.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. DELZER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1074 as printed on HJ page 1334 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1074: Reps. Monson, R. Kelsch, Williams.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. KEISER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1126 as printed on HJ pages 1516-1517 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1126: Reps. Keiser, Kasper, Gruchalla.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. GRANDE MOVED that the House do not concur in the Senate amendments to Engrossed HB 1134 as printed on HJ pages 1510-1514 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1134: Reps. Grande, Streyle, Amerman.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. GRANDE MOVED that the House do not concur in the Senate amendments to HB 1141 as printed on HJ page 1514 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1141: Reps. Boehning, L. Meier, Winrich.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. PORTER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1206 as printed on HJ pages 1517-1519 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1206: Reps. Keiser, Hofstad, S. Kelsh.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGESAA MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2012, Reengrossed SB 2298, Engrossed SB 2309, and Engrossed SB 2369, which motion prevailed.

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed SB 2012: Reps. Pollert, Bellew, Kaldor

Reengrossed SB 2298: Reps. Kreidt, Hawken, Metcalf

Engrossed SB 2309: Reps. Delzer, Thoreson, Kroeber

Engrossed SB 2369: Reps. Kasper, Ruby, Gruchalla

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2013 was placed on the Sixth order on the calendar.

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, replace "provide a contingent appropriation;" with "to create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to the North Dakota teacher of the year award;"

Page 1, line 10, after the semicolon insert "to amend and reenact section 16 of chapter 13 of the 2009 Session Laws, relating to contingent supplemental transportation aid payments; to provide a statement of legislative intent; to provide for reports to the budget section and sixty-third legislative assembly;"

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	190,033,520	912,759,478"
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Page 2, replace lines 6 and 7 with:

"Grants - Other grants	245,203,721	64,180,672	309,384,393
Grants - Mill levy reduction	295,000,000	(295,000,000)	0
ATCS review panel	0	300,000	300,000"

Page 2, replace lines 11 through 13 with:

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

Page 3, replace lines 22 through 24 with:

"Grand total general fund	\$1,122,401,382	(\$205,055,744)	\$917,345,638
Grand total special funds	\$364,672,954	\$101,588,177	\$466,261,131
Grand total all funds	\$1,487,074,336	(\$103,467,567)	\$1,383,606,769"

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
Grand total - All funds		\$156,055,588	\$557,800"

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. APPROPRIATION - LANDS AND MINERALS TRUST FUND - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the lands and minerals 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 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 8. 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 9. 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, after line 12, insert:

"SECTION 16. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

North Dakota teacher of the year award - Selection - Announcement.

1. The superintendent of public instruction shall administer a teacher of the year program. The superintendent of public instruction shall coordinate the annual event, including preparation of application materials, distribution of materials to the selection committee, and publicity arrangements for the North Dakota teacher of the year award.
2. By September thirtieth of each year, the governor and the superintendent of public instruction shall jointly announce the award recipient and serve as the exclusive hosts of a ceremony and reception honoring the teacher of the year. The ceremony and reception must take place in the memorial hall of the state capitol or, if requested by the award recipient, at a location in the municipality within which the recipient resides or works.
3. The selection committee must be appointed by the superintendent of public instruction and may not include more than one representative from any education-related organization or association."

Page 8, remove lines 13 through 31

Page 9, replace lines 1 through 18 with:

"SECTION 17. AMENDMENT. Section 16 of chapter 13 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 16. CONTINGENT APPROPRIATION - SUPPLEMENTAL TRANSPORTATION AID PAYMENTS.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~\$5,000,000~~\$2,500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing supplemental transportation aid payments, for the biennium beginning July 1, 2009, and ending June 30, 2011.
2. If the office of management and budget determines by July 31, 2010, that the June 30, 2011, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2009 legislative session, the superintendent of public instruction shall provide ~~\$5,000,000~~\$2,500,000 as supplemental transportation aid payments to school districts.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2011, that the June 30, 2011, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount

predicted by the office of management and budget at the conclusion of the 2009 legislative session, the superintendent of public instruction shall provide ~~\$5,000,000~~ \$2,500,000 as supplemental transportation aid payments to school districts.

4. The superintendent of public instruction shall pro rate the supplemental transportation payments according to the percentage of the total transportation formula amount that each school district is entitled to receive under 2009 House Bill No. 1400 as approved by the sixty-first legislative assembly."

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 8 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 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.

SECTION 22. REPORT TO THE BUDGET SECTION AND THE SIXTY-THIRD LEGISLATIVE ASSEMBLY. The superintendent of public instruction shall provide a report to the budget section by September 30, 2012, and to the sixty-third legislative assembly on the development of alternative teacher compensation plans. The report must include use of the funding, number of plans developed, summary of plan variances, criteria for teacher performance review, and recommendations."

Page 11, line 21, replace "3, 17, and 18" with "4, 17, 18, and 19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Department of Public Instruction				
Total all funds	\$1,694,573,163	\$1,694,606,663	(\$341,837,589)	\$1,352,769,074
Less estimated income	792,508,423	792,993,423	(341,790,000)	451,203,423
General fund	\$902,064,740	\$901,613,240	(\$47,589)	\$901,565,651
University System Office				
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000
Less estimated income	0	0	10,000,000	10,000,000
General fund	\$0	\$0	\$0	\$0
State Library				
Total all funds	\$7,398,585	\$7,398,585	\$0	\$7,398,585
Less estimated income	2,134,610	2,134,610	0	2,134,610
General fund	\$5,263,975	\$5,263,975	\$0	\$5,263,975
School for the Deaf				
Total all funds	\$8,806,779	\$8,806,779	\$0	\$8,806,779
Less estimated income	2,088,007	2,088,007	0	2,088,007
General fund	\$6,718,772	\$6,718,772	\$0	\$6,718,772
Vision Services - School for the Blind				
Total all funds	\$4,915,331	\$4,632,331	\$0	\$4,632,331
Less estimated income	835,091	835,091	0	835,091
General fund	\$4,080,240	\$3,797,240	\$0	\$3,797,240
Bill total				
Total all funds	\$1,715,693,858	\$1,715,444,358	(\$331,837,589)	\$1,383,606,769

Less estimated income	797,566,131	798,051,131	(331,790,000)	466,261,131
General fund	\$918,127,727	\$917,393,227	(\$47,589)	\$917,345,638

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

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$14,409,300	\$14,409,300		\$14,409,300
Operating expenses	29,651,187	29,751,187	(68,000)	29,683,187
Grants - State school aid	919,459,478	919,459,478	(6,700,000)	912,759,478
Grants - Special education contracts	16,000,000	16,000,000		16,000,000
Grants - Transportation	48,500,000	48,500,000		48,500,000
Grants - Other education	302,730,482	302,963,982	6,420,411	309,384,393
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
Transportation efficiency	30,000	30,000		30,000
National board certification	185,000	185,000		185,000
Total all funds	\$1,694,573,163	\$1,694,606,663	(\$341,837,589)	\$1,352,769,074
Less estimated income	792,508,423	792,993,423	(341,790,000)	451,203,423
General fund	\$902,064,740	\$901,613,240	(\$47,589)	\$901,565,651
FTE	99.75	99.75	0.00	99.75

Department No. 201 - Department of Public Instruction - Detail of House Changes

	Increases Funding for Grants ¹	Increases Funding for Adult Education Grants ²	Adjusts State School Aid ³	Removes Funding for Alternative Education Program Grants ⁴	Restores Funding for the Alternative Teacher Compensation System Review Panel ⁵	Adds Funding for Alternative Teacher Compensation Plan Development Grants ⁶
Salaries and wages						
Operating expenses						
Grants - State school aid			(6,700,000)			
Grants - Special education contracts						
Grants - Transportation						
Grants - Other education	120,000	1,060,411		(460,000)		700,000
Grants - Mill levy reduction						
ATCS review panel					300,000	
Education jobs fund						
Transportation efficiency						
National board certification						
Total all funds	\$120,000	\$1,060,411	(\$6,700,000)	(\$460,000)	\$300,000	\$700,000
Less estimated income	0	0	0	0	0	0
General fund	\$120,000	\$1,060,411	(\$6,700,000)	(\$460,000)	\$300,000	\$700,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Rapid Enrollment Grants ⁷	Decreases Funding for the Professional Development Advisory Committee ⁸	Removes Funding for Mill Levy Reduction Grants ⁹	Total House Changes
Salaries and wages				
Operating expenses		(68,000)		(68,000)
Grants - State school aid				(6,700,000)
Grants - Special education contracts				
Grants - Transportation				
Grants - Other education	5,000,000			6,420,411
Grants - Mill levy reduction			(341,790,000)	(341,790,000)
ATCS review panel				300,000
Education jobs fund				
Transportation efficiency				
National board certification				
Total all funds	\$5,000,000	(\$68,000)	(\$341,790,000)	(\$341,837,589)
Less estimated income	0	0	(341,790,000)	(341,790,000)
General fund	\$5,000,000	(\$68,000)	\$0	(\$47,589)
	0.00	0.00	0.00	0.00

FTE

¹ Funding for general fund grants is increased as follows:

	Increase	Total Provided
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

² Funding for adult education learning center grants is increased to provide a total of \$3,110,411 from the general fund. 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.

³ State school aid and per student payment rates are adjusted for the following:

- (\$7,500,000) - Removal of funding used by the Senate to increase per student payment rates. The Senate removed the supplemental teacher-effectiveness compensation program factor included in the executive recommendation and used the funding to increase per student payment rates.
- (\$3,600,000) - Decrease due to delaying implementation of the requirement that school districts increase their school calendars by 1 day, from 181 days to 182 days, until the 2012-13 school year.
- \$2,500,000 - Increase relating to the use of funding made available from a reduction in the 2009-11 biennium contingent supplemental transportation aid payments provided by the 2009 Legislative Assembly from \$5 million to \$2.5 million.
- \$1,900,000 - Increase per student payment rates.
- (\$6,700,000) - Total reduction in state school aid.

⁴ Funding for alternative education program grants added by the Senate is removed. The executive recommendation did not include the alternative education program grants.

⁵ Funding for the Alternative Teacher Compensation System Review Panel and contracted program adviser, included in the executive recommendation and removed by the Senate, is restored.

⁶ Funding is added to provide grants to school districts that wish to develop alternative teacher compensation plans. Funding for these grants was not included in the executive recommendation.

⁷ Funding is provided for grants to school districts that are experiencing rapid enrollment increases. This funding was not included in the executive recommendation.

⁸ Funding is reduced to reflect a limit on the number of meetings of the Professional Development Advisory Committee in Senate Bill No. 2150.

⁹ Funding for mill levy reduction grants from the property tax sustainability fund included in the executive recommendation is removed. Funding is provided from the general fund in House Bill No. 1047.

In addition, this amendment:

- Removes Section 8 relating to alternative education program grants, Section 16

relating to a contingent appropriation for school district deferred maintenance and physical plant improvement grants, and Section 5 relating to mill levy reduction grants.

- Amends Section 9 relating to the gifted and talented program and Medicaid matching funds to more clearly distinguish distribution, Section 10 relating to the Teacher of the Year program, and Section 18 relating to an amendment to Section 59 of Chapter 175 of the 2009 Session Laws to reserve \$500,000 of unobligated 2009-11 state school aid for 2011-13 adult education learning center grants.
- Adds sections relating to the distribution of continuing education 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, an amendment to Section 16 of Chapter 13 of the 2009 Session Laws regarding contingent supplemental transportation aid payments which will result in an additional \$2.5 million of funding available in the general fund for the 2011-13 biennium, the distribution of unobligated 2009-11 state school aid reserved for adult education learning center grants, and a report to the Budget Section and the Legislative Assembly on the development of alternative teacher compensation plans.

Senate Bill No. 2013 - University System Office - House Action

	Executive Budget	Senate Version	House Changes	House Version
North Dakota Scholarship Program			\$10,000,000	\$10,000,000
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000
Less estimated income	0	0	10,000,000	10,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 215 - University System Office - Detail of House Changes

	Provides Funding for the North Dakota Scholarship Program ¹	Total House Changes
North Dakota Scholarship Program	\$10,000,000	\$10,000,000
Total all funds	\$10,000,000	\$10,000,000
Less estimated income	10,000,000	10,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment adds a section providing \$10 million for North Dakota academic and career and technical education scholarships from the lands and minerals trust fund. The Governor recommended a continuing appropriation from the lands and minerals trust fund to provide for these scholarships.

SIXTH ORDER OF BUSINESS

SB 2013, as engrossed: REP. MONSON (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

REP. R. KELSCH REQUESTED that the House divide the amendments to Engrossed SB 2013, which request was granted.

DIVISION A: Section 16 of the proposed amendment to Engrossed SB 2013.

DIVISION B: The remainder of the proposed amendments to Engrossed SB 2013.

REQUEST

REP. N. JOHNSON REQUESTED a verification vote on Division A of the proposed amendments to Engrossed SB 2013, which request was granted.

The question being the adoption of Division A of the proposed amendments to Engrossed SB 2013, the motion failed on a verification vote.

Division A of the proposed amendments to Engrossed SB 2013 failed on a verification vote.

The question being the adoption of Division B of the proposed amendments to Engrossed SB 2013, the motion passed on a voice vote.

Division B of the proposed amendments to Engrossed SB 2013 was adopted on a voice vote.

The question being on the motion to adopt the amendments to Engrossed SB 2013 which consists of Division B only, the motion prevailed on a voice vote.

REPORT OF STANDING COMMITTEE

SB 2150, as reengrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2150, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, 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, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-06-04. School calendar - Length.

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
 - a. One hundred seventy-three days must be used for instruction;

- b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
 - c. Up to two days must be used for:
 - (1) Parent-teacher conferences; or
 - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and
 - d. Two days must be used for professional development.
 2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
 - a. One hundred seventy-four days must be used for instruction;
 - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
 - c. Up to two days must be used for:
 - (1) Parent-teacher conferences; or
 - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
 - d. Two days must be used for professional development.
 3. ~~Beginning with the 2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
 - a. One hundred seventy-five days must be used for instruction;
 - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
 - c. Up to two days must be used for:
 - (1) Parent-teacher conferences; or
 - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
 - d. Two days must be used for professional development.
 4. A day for professional development must consist of:
 - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
 - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
 5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.

6.
 - a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
 - b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.
 - c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
 - a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
 - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
 - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
 - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
 - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8.
 - a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
 - b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
 - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

9. For purposes of this section, a full day of instruction consists of:
 - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
 - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

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 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-58. Prekindergarten programEarly childhood education - Authorization - Support.

The board of a school district may establish a ~~prekindergarten~~ early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; ~~and any gifts~~

3. Gifts, grants, and donations specifically given for the program.

SECTION 4. 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 - 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.~~
 - 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 three administrative functions and three student services, selected by the district.~~
 - c. ~~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 to compensate members of 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 5. 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 6. 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 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 - 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 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 - 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 9. 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 10. 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 – Diplomadiploma - Minimum requirements.

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;~~
 - c. ~~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 11 of this Act; and
2. Any additional units of high school coursework required by the issuing entity.

SECTION 11. 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 12. 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 13. 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. ObtainsCompleted 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. ReceivesReceived a composite score of at least twenty-four on an ACT; and
- 5-10. a. CompletesFulfilled 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. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

SECTION 14. 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. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4.
 - 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. 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.

SECTION 15. 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 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 scholarships.

SECTION 16. 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 to 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 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 17. 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 18. 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 19. 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 student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day 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 20. 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 ~~are~~:
 - (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 ~~are~~:
 - (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 21. 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 ~~thirty~~ 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~~seventy 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 22. 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 ~~twentyfour~~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 23. 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 24. 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 25. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Supplemental teacher-effectiveness compensation plan.

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
 - a. All teachers employed by the board to teach in the school district; or
 - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

SECTION 26. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Supplemental teacher-effectiveness compensation plan - Development committee - Membership.

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

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

Supplemental teacher-effectiveness compensation plan - Required content.

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
 - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
 - b. Provide for a determination of compensation that takes into account:
 - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
 - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
 - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
 - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
 - (5) Various measures of student growth, including academic growth;
 - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
 - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

SECTION 28. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Supplemental teacher-effectiveness compensation plan - Review panel - Duties.

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
 - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
 - b. Two individuals appointed by the North Dakota council of educational leaders;
 - c. Two individuals appointed by the North Dakota education association; and
 - d. Two individuals appointed by the North Dakota school boards association.
2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 27 of this Act.

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

Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.

In addition to the duties set forth in section 28 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

SECTION 30. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Annual report - Required content.

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
 - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
 - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
 - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
 - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
 - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 28 of this Act.

SECTION 31. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Existing contracts - Terms - Effect.

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance

with chapter 15.1-16, remain in force and effect for the duration of the contract.

2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

SECTION 32. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Plan review panel - Reimbursement for expenses.

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

SECTION 33. 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 ~~fifty one 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~~ 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 ~~twofour 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 34. 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 35. 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
 - h.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 36. 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 37. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitations in school districts.

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.

2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 38. 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 school year, 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 2012-13 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 2013-14 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 2014-15 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 39. 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 40. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH -

GRANT. During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 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 can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three 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 thirty percent of 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 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 seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen 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.
4. If the amount of the expenditure 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.
5. A district may not receive more than \$800,000 annually in accordance with this section.

SECTION 41. SUPPLEMENTAL TEACHER-EFFECTIVENESS

COMPENSATION PLAN - GRANT. During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$700,000 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 submits an eligible supplemental teacher-effectiveness compensation plan in accordance with section 27 of this Act.

1. The amount of the grant to which a district is entitled must provide reimbursement for any costs the district incurred in developing the plan.

2. If providing the grants to each eligible district would exceed the expenditure authorized by this section, the superintendent of public instruction, with the advice of the review panel, shall select districts of varying size to receive the grants and shall prioritize the grants based on those plans that show the greatest potential to increase teacher-effectiveness through supplemental compensation. For purposes of this subsection, the superintendent of public instruction shall consider a district to be:
 - a. Small, if it has fewer than one thousand weighted student units;
 - b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
 - c. Large, if it has at least five thousand weighted student units.

**SECTION 42. 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 received by a district during the 2011-13 biennium by:
 - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
 - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
 - (1) Contingent distributions;
 - (2) Cross-border attendance moneys;
 - (3) Deferred maintenance and physical plant improvements grants;
 - (4) Equity payments;
 - (5) Federal education jobs funds program moneys;
 - (6) Home-based education program monitoring moneys;
 - (7) Mill levy reduction payments;
 - (8) PowerSchool acquisition, implementation, and utilization moneys;
 - (9) Regional education association moneys and grants; and
 - (10) Transportation payments; and
 - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.

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 43. CONTINGENT MONEY. If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, 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 44. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION. If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds 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 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 sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

SECTION 45. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION. 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 sixty-third legislative assembly.

SECTION 46. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.

1. The education funding and taxation committee consists of:
 - a. The following nine voting members:
 - (1) The chairman of the house education committee, or the chairman's designee;
 - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
 - (3) The chairman of the senate education committee, or the chairman's designee;

- (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
 - (5) Five legislators appointed by the chairman of the legislative management; and
- b. The following five nonvoting members:
- (1) The tax commissioner or the commissioner's designee;
 - (2) The superintendent of public instruction or the superintendent's designee;
 - (3) A representative of the governor, selected by the governor; and
 - (4) Two school district business managers, appointed by the legislative management.
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 47. REPEAL. Section 6 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 48. REPEAL. Section 15.1-27-15 of the North Dakota Century Code is repealed.

SECTION 49. EFFECTIVE DATE. Section 47 of this Act becomes effective on July 1, 2013."

Renumber accordingly

SIXTH ORDER OF BUSINESS

SB 2150, as reengrossed and amended: REP. SKARPHOL (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion failed on a verification vote.

MOTION

REP. VIGESAA MOVED that Reengrossed SB 2150, as amended, which is on the Fourteenth order, be rereferred to the **Appropriations Committee**, which motion prevailed. Pursuant to Rep. Vigesaa's motion, Reengrossed SB 2150, as amended, was rereferred.

MOTION

REP. VIGESAA MOVED that SB 2013, which is on the Fourteenth order, be laid over one legislative day, which motion prevailed.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 8, 2011, I have signed the following: HB 1009, HB 1022, HB 1023, HB 1075, HB 1089, HB 1096, HB 1097, HB 1139, HB 1145, HB 1161, HB 1185, HB 1205, HB 1271, HB 1343, HB 1346, HB 1376, HB 1399, and HB 1430.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2008.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2020.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1289.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1289

In lieu of the amendments adopted by the Senate as printed on pages 913-917 of the Senate Journal, Engrossed House Bill No. 1289 is amended as follows:

Page 1, line 1, after "reenact" insert "section 57-38-30 and"

Page 1, line 2, after "for" insert "corporations and"

Page 1, line 2, remove the second "and"

Page 1, line 3, after "date" insert "; and to provide an expiration date"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 57-38-30 of the North Dakota Century Code is amended and reenacted as follows:

57-38-30. Imposition and rate of tax on corporations.

A tax is hereby imposed upon the taxable income of every domestic and foreign corporation which must be levied, collected, and paid annually as in this chapter provided:

1. a. For the first twenty-five thousand dollars of taxable income, at the rate of ~~two~~one and ~~one-tenth~~ninety-three hundredths percent.
- b. On all taxable income exceeding twenty-five thousand dollars and not exceeding fifty thousand dollars, at the rate of ~~five~~four and ~~twenty-five~~eighty-three hundredths percent.
- c. On all taxable income exceeding fifty thousand dollars, at the rate of ~~six~~five and ~~four-tenth~~eighty-nine hundredths percent.
2. A corporation that has paid North Dakota alternative minimum tax in years beginning before January 1, 1991, may carry over any alternative minimum tax credit remaining to the extent of the regular income tax liability of the corporation for a period not to exceed four taxable years."

Page 4, line 24, after "for" insert "the first two"

Page 4, line 25, after "2010" insert ", and is thereafter ineffective"

ReNUMBER accordingly

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1417.

SENATE AMENDMENTS TO HOUSE BILL NO. 1417

In lieu of the amendments adopted by the Senate as printed on page 924 of the Senate Journal, House Bill No. 1417 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SALES TAX EXEMPTION FOR PURCHASE BY CLINICS. The legislative management shall consider studying, during the 2011-12 interim, the feasibility and desirability of exempting purchases by health-related clinics from sales and use taxes. The study must address under what circumstances, if any, purchases by health-related clinics should be exempt from sales and use taxes. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1012, HB 1020, HB 1451.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 4, after "transfers" insert "; to provide for borrowing authority; to provide an exemption"

Page 1, replace line 15 with:

"Salaries and wages	\$147,373,254	\$18,593,142	\$165,966,396"
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Page 1, replace lines 22 and 23 with:

"Total all funds	\$1,067,932,917	\$479,540,542	\$1,547,473,459
Less estimated income	<u>1,067,932,917</u>	<u>473,690,542</u>	<u>1,541,623,459"</u>

Page 2, replace line 1 with:

"Full-time equivalent positions	1,054.50	9.00	1,063.50"
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Page 2, line 20, replace "\$230,000" with "\$1,431,000"

Page 2, after line 25, insert:

"Up to \$1,201,000 of funds provided under this section may be used by the department of transportation for highway-rail grade crossing safety projects approved by the department and for which funding was obligated during the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 2, line 26, replace "Grants" with "Up to \$230,000 of funds"

Page 2, line 26, after "section" insert "may be used"

Page 2, line 26, after "for" insert "additional"

Page 2, line 27, replace "projects are" with "project grants"

Page 3, after line 12, insert:

"SECTION 4. APPROPRIATION - BORROWING AUTHORITY - ADDITIONAL EMERGENCY RELIEF PROGRAM. The department of transportation may borrow the sum of \$120,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota for the purpose of providing funding for emergency relief projects on the state highway system, for the period beginning with the effective date of this Act and ending June 30, 2013. Any funding borrowed from the Bank of North Dakota under this section is appropriated to the department of transportation for emergency relief projects on the state highway system. Funding appropriated under this section is considered one-time funding and is not to be considered a part of the department's 2013-15 base budget request. Any federal funding received for projects receiving funding under this section must be used to repay the loan from the Bank of North Dakota."

Page 3, line 15, replace "\$25,000,000" with "\$35,000,000"

Page 3, replace lines 21 through 31 with:

- "1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. Twenty percent to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section."

Page 4, replace lines 12 through 22 with:

- "1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. Twenty percent to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section."

Page 4, after line 26, insert:

"SECTION 7. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$370,600,000, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 4, line 28, after "the" insert "salaries and wages,"

Page 4, line 28, after "operating" insert "expenses"

Page 6, after line 8, insert:

- "8. The funding included in the county and township road reconstruction line item in section 1 of this Act may be applied to engineering and design costs incurred on related projects as of January 1, 2011.

SECTION 11. EXTRAORDINARY STATE HIGHWAY MAINTENANCE. The funding included in the capital assets line item in section 1 of this Act relating to extraordinary state highway maintenance may be applied to engineering and design costs incurred on related projects as of January 1, 2011.

SECTION 12. FARGO DISTRICT OFFICE LOCATION - EXEMPTION. The sum of \$800,000 included in the capital assets line item of section 1 of this Act is for the construction of an equipment storage facility at the Fargo district office location which may only be used pursuant to the provisions of this section.

Notwithstanding sections 54-01-05.2 and 54-01-05.5, the department of transportation shall offer for sale the entire parcel of land, including buildings, owned by the department of transportation at the Fargo district office location which is at 503 38th street south in the city of Fargo. In consideration for the property, the buyer must provide the department of transportation with an alternative parcel of land in fee simple to be used as a new location for the Fargo district office. The parcel of land must be located within the interstate storm gates of the cities of Fargo and West Fargo, be of suitable size and condition for operations of the Fargo district office, and be readily accessible to the interstate system. In consideration for the department of transportation property, the buyer shall construct or otherwise provide the buildings necessary for the operations of the Fargo district office. If requested, the director of the department of transportation shall provide potential buyers with general land and building requirements necessary for the operations of the Fargo district office. The director of the department of transportation shall have the authority to determine whether the location and buildings adequately address the operations needs of the Fargo district office. The property shall remain open to buyers until May 1, 2012. The department of transportation may proceed with the construction of the equipment

storage building at the current Fargo district office location if an offer is not accepted by the department of transportation by May 1, 2012."

Page 6, line 19, replace the second "section" with "sections"

Page 6, line 19, after "4" insert ", 5, 10, and 12"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$0	\$0	\$370,600,000	\$370,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$370,600,000	\$370,600,000
State Treasurer				
Total all funds	\$0	\$25,000,000	\$0	\$25,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$25,000,000	\$0	\$25,000,000
Department of Transportation				
Total all funds	\$1,548,283,665	\$1,546,821,323	\$122,083,136	\$1,668,904,459
Less estimated income	1,542,433,665	1,540,971,323	122,083,136	1,663,054,459
General fund	\$5,850,000	\$5,850,000	\$0	\$5,850,000
Bill total				
Total all funds	\$1,548,283,665	\$1,571,821,323	\$492,683,136	\$2,064,504,459
Less estimated income	1,542,433,665	1,540,971,323	122,083,136	1,663,054,459
General fund	\$5,850,000	\$30,850,000	\$370,600,000	\$401,450,000

House Bill No. 1012 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Transfer to highway fund			\$370,600,000	\$370,600,000
Total all funds	\$0	\$0	\$370,600,000	\$370,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$370,600,000	\$370,600,000
FTE	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Transfer From General Fund to Highway Fund ¹	Total Senate Changes
Transfer to highway fund	\$370,600,000	\$370,600,000
Total all funds	\$370,600,000	\$370,600,000
Less estimated income	0	0
General fund	\$370,600,000	\$370,600,000
FTE	0.00	0.00

¹ A section is added providing that the Office of Management and Budget transfer \$370.6 million from the general fund to the highway fund for roadway projects in areas affected by oil and gas development. The executive recommendation included a \$370.6 million transfer from the permanent oil tax trust fund to the highway fund for these projects in Senate Bill No. 2015 which was removed by the Senate.

House Bill No. 1012 - Department of Transportation - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$166,776,602	\$165,084,260	\$882,136	\$165,966,396
Operating expenses	204,090,250	204,090,250		204,090,250
Capital assets	943,529,831	943,529,831		943,529,831
Grants	67,767,407	67,767,407		67,767,407
County and township road program	142,000,000	142,000,000		142,000,000
Federal stimulus funds	24,119,575	24,119,575		24,119,575
Highway-rail grade crossing projects		230,000	1,201,000	1,431,000
Emergency relief projects			120,000,000	120,000,000
Total all funds	\$1,548,283,665	\$1,546,821,323	\$122,083,136	\$1,668,904,459
Less estimated income	1,542,433,665	1,540,971,323	122,083,136	1,663,054,459
General fund	\$5,850,000	\$5,850,000	\$0	\$5,850,000
FTE	1066.50	1060.50	3.00	1063.50

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Restores Driver's License Examiner Positions ¹	Restores Motor Vehicle Licensing Specialist Position ²	Adds Funding for Optional Market Salary Adjustments ³	Adjusts Highway-Rail Grade Crossing Projects Funding ⁴	Adds Emergency Relief Funding ⁵	Total Senate Changes
Salaries and wages	\$180,586	\$101,550	\$600,000			\$882,136
Operating expenses						
Capital assets						
Grants						
County and township road program						
Federal stimulus funds						
Highway-rail grade crossing projects				1,201,000		1,201,000
Emergency relief projects					120,000,000	120,000,000
Total all funds	\$180,586	\$101,550	\$600,000	\$1,201,000	\$120,000,000	\$122,083,136
Less estimated income	180,586	101,550	600,000	1,201,000	120,000,000	122,083,136
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	2.00	1.00	0.00	0.00	0.00	3.00

¹ Two new FTE driver's license positions removed by the House are restored. The executive recommendation added a total of 4 new FTE driver's license positions.

² One new FTE motor vehicle licensing specialist position removed by the House is restored. The executive recommendation added 2 new FTE motor vehicle licensing specialist positions.

³ Funding of \$600,000 is added for optional market salary adjustments for department equipment operators and highway maintenance personnel. The executive budget included \$1.1 million for salary equity adjustments for equipment operators which the House removed.

⁴ Section 3 is adjusted to provide additional funding authority of \$1,201,000 from the highway-rail grade crossing safety fund for projects approved during the 2009-11 biennium but for which funding has not yet been distributed.

⁵ A section is added to authorize the Department of Transportation to borrow and spend up to \$120 million from the Bank of North Dakota for state highway emergency relief projects. Any federal reimbursements received for the emergency relief projects are to be used to repay the loan from the Bank of North Dakota. The section is declared to be an emergency measure.

House Bill No. 1012 - Other Changes - Senate Action

This amendment also:

- Amends Section 4 to provide for \$35 million to be distributed to non-oil-producing counties, cities, and townships during the 2009-11 biennium. The House included funding of \$25 million for 2009-11 biennium transportation funding distributions.
- Adjusts Sections 4 and 5 relating to the method of distributing funds to non-oil and gas-producing counties for 2009-11 and 2011-13 biennium transportation funding distributions.
- Adjusts Section 6 to allow for transfers between the salaries and wages line item and the operating expenses, capital assets, and grants line items when it is cost-effective for the construction and maintenance of roadways.
- Adjusts Section 8 to allow funding for a county and township road program in areas affected by oil and gas development to be used for engineering and design costs incurred on related projects as of January 1, 2011.
- Adds a section to allow funding for extraordinary state highway maintenance to be used for engineering and design costs incurred on related projects as of January 1, 2011.
- Adds a section to require the Department of Transportation to offer the Fargo district office location for sale. The section also provides that \$800,000 of funding for an equipment storage building at the Fargo district office location may only be used if the department does not accept an agreement to purchase the district office location by May 1, 2012.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1020

Page 1, line 3, after the first semicolon insert "to amend and reenact section 4-14.2-02 of the North Dakota Century Code, relating to the northern crops council;"

Page 1, replace lines 20 through 22 with:

"Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	<u>837,800</u>	<u>150,000</u>	<u>987,800</u>
Total all funds	\$47,929,289	\$85,165	\$48,014,454"

Page 1, remove line 24

Page 2, replace line 1 with:

"Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75"

Page 2, replace line 22 with:

"Main research center	\$87,530,418	\$11,177,153	\$98,707,571"
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Page 2, replace line 26 with:

"Total all funds	\$87,530,418	\$11,177,153	\$98,707,571"
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Page 2, replace lines 28 and 29 with:

"Total general fund	\$42,517,151	\$12,056,845	\$54,573,996
Full-time equivalent positions	329.26	4.00	333.26"

Page 3, replace lines 9 and 10 with:

"Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
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Total all funds	\$26,284,006	\$3,448,783	\$29,732,789"
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Page 3, replace line 12 with:

"Total general fund	\$12,367,190	\$1,568,018	\$13,935,208"
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Page 3, replace line 25 with:

"Grand total general fund	\$79,913,767	\$17,093,291	\$97,007,058"
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Page 3, replace line 27 with:

"Grand total all funds	\$189,383,429	\$15,923,821	\$205,307,250"
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Page 4, remove lines 3 and 4

Page 4, replace line 11 with:

"Grape and wine program committee	250,000	200,000"
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Page 4, replace line 15 with:

"Total all funds	\$22,675,000	\$9,694,581"
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Page 4, replace line 17 with:

"Total general fund	\$17,700,000	\$7,191,650"
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Page 5, after line 17, insert:

"SECTION 8. GRAPE GROWING RESEARCH GRANTS. The main research center line item in subdivision 4 of section 1 of this Act includes \$200,000 from the general fund for the main research center to provide grants, in consultation with the grape growers association, to in-state research organizations to conduct grape growing research in the state, for the biennium beginning July 1, 2011, and ending June 30, 2013. The main research center shall require one dollar of matching funds for each four dollars of state funds provided on any grant award.

SECTION 9. AMENDMENT. Section 4-14.2-02 of the North Dakota Century Code is amended and reenacted as follows:

4-14.2-02. Northern crops council - Establishment - Chairman - Meetings - Compensation.

1. The northern crops council is established. The council shall establish policies for the operation of the northern crops institute. The council consists of:
 - a. The president of North Dakota state university of agriculture and applied science or the president's designee.
 - b. A representative selected by the North Dakota wheat commission.
 - c. A representative selected by the North Dakota oilseed council.
 - d. A representative selected by the North Dakota barley council.
 - e. A representative selected by the North Dakota soybean council.
 - f. The agriculture commissioner or the commissioner's designee.
 - g. Five to seven producers of northern crops selected by the members designated in subdivisions a through f.

- h. Up to four representatives of industries that process northern crops selected by the members designated in subdivisions a through f.
2. a. The term of office for each member of the council, except the president of North Dakota state university of agriculture and applied science and the agriculture commissioner, is three years, and those members are limited to two 3-year terms. Each term of office begins with the first reorganizational meeting after the date of appointment.
- b. Notwithstanding subdivision a, during the 2011-13 biennium, the council shall:
- (1) Stagger by lot the terms of the producers of northern crops so that no more than one of the producers' terms expires in June 2013; and
- (2) Stagger by lot the terms of the representatives of industries that process northern crops so that no more than one of the representatives' terms expires in June 2013.
3. The chairman of the council must be a member of the council elected annually by a majority vote of the council. Provided, the members designated in subdivisions a and f of subsection 1 are not eligible to serve as chairman.
4. The council shall meet at least three times annually at such times and places as must be determined by the council and may meet in special meeting upon such call and notice as may be prescribed by rules adopted by the council. A council member unable to attend a meeting of the council may be represented by a person who has a written proxy from the member."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Transportation Institute				
Total all funds	\$24,069,961	\$24,069,961	\$0	\$24,069,961
Less estimated income	22,150,333	22,150,333	0	22,150,333
General fund	\$1,919,628	\$1,919,628	\$0	\$1,919,628
Branch Research Centers				
Total all funds	\$28,812,789	\$31,957,789	(\$2,225,000)	\$29,732,789
Less estimated income	14,877,581	15,797,581	0	15,797,581
General fund	\$13,935,208	\$16,160,208	(\$2,225,000)	\$13,935,208
NDSU Extension Service				
Total all funds	\$48,744,454	\$48,494,454	(\$480,000)	\$48,014,454
Less estimated income	23,128,810	23,128,810	0	23,128,810
General fund	\$25,615,644	\$25,365,644	(\$480,000)	\$24,885,644
Northern Crops Institute				
Total all funds	\$3,347,307	\$3,347,307	\$0	\$3,347,307
Less estimated income	1,654,725	1,654,725	0	1,654,725
General fund	\$1,692,582	\$1,692,582	\$0	\$1,692,582
Main Research Center				
Total all funds	\$97,897,571	\$98,392,571	\$315,000	\$98,707,571
Less estimated income	43,973,575	44,133,575	0	44,133,575
General fund	\$53,923,996	\$54,258,996	\$315,000	\$54,573,996
Agronomy Seed Farm				
Total all funds	\$1,435,168	\$1,435,168	\$0	\$1,435,168
Less estimated income	1,435,168	1,435,168	0	1,435,168
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$204,307,250	\$207,697,250	(\$2,390,000)	\$205,307,250
Less estimated income	107,220,192	108,300,192	0	108,300,192
General fund	\$97,087,058	\$99,397,058	(\$2,390,000)	\$97,007,058

House Bill No. 1020 - Branch Research Centers - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Dickinson Research Center	\$5,588,562	\$6,388,562		\$6,388,562
Central Grasslands Research Center	2,865,847	2,865,847		2,865,847
Hettinger Research Center	3,373,175	3,373,175		3,373,175
Langdon Research Center	2,378,807	2,378,807		2,378,807
North Central Research Center	4,279,821	4,399,821		4,399,821
Williston Research Center	3,200,089	3,200,089		3,200,089
Carrington Research Center	7,126,488	9,351,488	(2,225,000)	7,126,488
Total all funds	\$28,812,789	\$31,957,789	(\$2,225,000)	\$29,732,789
Less estimated income	14,877,581	15,797,581	0	15,797,581
General fund	\$13,935,208	\$16,160,208	(\$2,225,000)	\$13,935,208
FTE	95.49	96.49	0.00	96.49

Department No. 628 - Branch Research Centers - Detail of Senate Changes

	Removes Funding for Capital Project ¹	Total Senate Changes
Dickinson Research Center		
Central Grasslands Research Center		
Hettinger Research Center		
Langdon Research Center		
North Central Research Center		
Williston Research Center		
Carrington Research Center	(2,225,000)	(2,225,000)
Total all funds	(\$2,225,000)	(\$2,225,000)
Less estimated income	0	0
General fund	(\$2,225,000)	(\$2,225,000)
FTE	0.00	0.00

¹ Funding added by the House for the agronomy laboratory capital project at the Carrington Research Center is removed.

House Bill No. 1020 - NDSU Extension Service - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Extension Service	\$47,856,654	\$47,606,654	(\$580,000)	\$47,026,654
Soil Conservation Committee	887,800	887,800	100,000	987,800
Total all funds	\$48,744,454	\$48,494,454	(\$480,000)	\$48,014,454
Less estimated income	23,128,810	23,128,810	0	23,128,810
General fund	\$25,615,644	\$25,365,644	(\$480,000)	\$24,885,644
FTE	255.75	255.75	1.00	256.75

Department No. 630 - NDSU Extension Service - Detail of Senate Changes

	Restores Funding for SBARE Livestock Stewardship Initiative ¹	Adds Funding for Soil Conservation Committee ²	Removes Funding for Gearing up for Kindergarten ³	Total Senate Changes
Extension Service	\$250,000		(\$830,000)	(\$580,000)
Soil Conservation Committee		100,000		100,000
Total all funds	\$250,000	\$100,000	(\$830,000)	(\$480,000)

Less estimated income	0	0	0	0
General fund	\$250,000	\$100,000	(\$830,000)	(\$480,000)
FTE	1.00	0.00	0.00	1.00

¹ Funding is restored for the State Board of Agricultural Research and Education (SBARE) initiative relating to livestock stewardship that was removed by the House.

² Funding is added for the soil conservation committee to increase the total funding provided from \$887,800 to \$987,800.

³ Funding provided in the executive budget to expand the Gearing Up for Kindergarten program to a statewide scope is removed.

House Bill No. 1020 - Northern Crops Institute - Senate Action

Section 4-14.2-02 of the North Dakota Century Code, relating to the Northern Crops Council, is amended and reenacted to permit the council to stagger the terms of producers of northern crops and representatives of industries so that no more than one producer and one representative's term expires in June 2013.

House Bill No. 1020 - Main Research Center - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Main Research Center	\$97,897,571	\$98,392,571	\$315,000	\$98,707,571
Total all funds	\$97,897,571	\$98,392,571	\$315,000	\$98,707,571
Less estimated income	43,973,575	44,133,575	0	44,133,575
General fund	\$53,923,996	\$54,258,996	\$315,000	\$54,573,996
FTE	329.26	332.26	1.00	333.26

Department No. 640 - Main Research Center - Detail of Senate Changes

	Removes Funding for the State Data Center ¹	Adds Funding for Grape Grower Research ²	Adds Funding for Livestock Stewardship SBARE Initiative ³	Total Senate Changes
Main Research Center	(\$125,000)	\$200,000	\$240,000	\$315,000
Total all funds	(\$125,000)	\$200,000	\$240,000	\$315,000
Less estimated income	0	0	0	0
General fund	(\$125,000)	\$200,000	\$240,000	\$315,000
FTE	(1.00)	0.00	2.00	1.00

¹ Funding and 1 FTE position added by the House for the SBARE initiative relating to the State Data Center is removed.

² Funding is added for a grant to conduct research relating to grape growing in the state to be administered by the Main Research Center in consultation with the Grape Growers Association. A section is added requiring a match of \$1 for each \$4 provided by the state prior to use of funding.

³ Funding is provided for an SBARE initiative to improve animal productivity and livestock stewardship for increased profitability in the North Dakota livestock industry. This initiative

includes 2 FTE technician positions at the Main Research Center.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1451

In lieu of the amendments adopted by the Senate as printed on pages 923 and 924 of the Senate Journal, Engrossed House Bill No. 1451 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 15-08.1-08 and 57-51.1-07.2 of the North Dakota Century Code, relating to the lands and minerals trust fund and the permanent oil tax trust fund; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-08.1-08 of the North Dakota Century Code is amended and reenacted as follows:

15-08.1-08. Income - Expenses - Reimbursement - Creation of lands and minerals trust.

The income derived from the sale, lease, and management of the mineral interests acquired by the board of university and school lands pursuant to this chapter and other funds as provided by law must, after deducting the expenses of sale, lease, and management of the property, be deposited in a fund to be known as the lands and minerals trust fund. Deposits in the lands and minerals trust fund are limited to one hundred fifty million dollars during a biennium and any amounts exceeding this limitation must be deposited in the permanent oil tax trust fund. The corpus and interest of ~~such~~the lands and minerals trust fund may be expended as the legislative assembly may provide.

SECTION 2. AMENDMENT. Section 57-51.1-07.2 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest-- Adjustment of distribution formula.

The state treasurer shall deposit ~~seventy-one million dollars~~the first two hundred million dollars of the state general fund share of revenue derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 into the general fund, the next three hundred eighty-five million dollars of the state general fund share of revenue from these taxes into the property tax relief sustainability fund, and any additional state general fund share of revenue from these taxes into the permanent oil tax trust fund. ~~Revenue exceeding seventy-one million dollars must be deposited by the state treasurer in the permanent oil tax trust fund. Interest earnings of the permanent oil tax trust fund must be credited to the general fund. The principal of the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the members elected to each house of the legislative assembly.~~

~~If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after June 30, 1997, the director of the budget shall adjust the seventy-one million dollar amount in this section by the same percentage increase or decrease in the amount of revenue allocable to the general fund after the change in the allocation formula, and transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or decreased merely because of changes in the distribution formulas.~~

SECTION 3. EFFECTIVE DATE. This Act is effective July 1, 2011.

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

Re-number accordingly

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently failed to pass: HB 1245, HB 1339.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has failed to pass, unchanged: HB 1416.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1004, HB 1019, HB 1074, HB 1126, HB 1134, HB 1141, and HB 1206, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1004: Reps. Bellew; J. Nelson; Kaldor
HB 1019: Reps. Skarphol; Dosch; Williams
HB 1074: Reps. Monson; R. Kelsch; Williams
HB 1126: Reps. Keiser; Kasper; Gruchalla
HB 1134: Reps. Grande; Streyle; Amerman
HB 1141: Reps. Boehning; L. Meier; Winrich
HB 1206: Reps. Keiser; Hofstad; S. Kelsh

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1006, HB 1014, and HB 1021, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1006: Reps. Kempenich; Dahl; Glassheim
HB 1014: Reps. Brandenburg; Thoreson; Kroeber
HB 1021: Reps. Thoreson; Pollert; Glassheim

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

HB 1006: Sens. Krebsbach; Grindberg; O'Connell
HB 1014: Sens. Wardner; Erbele; Warner
HB 1021: Sens. Christmann; Fischer; Robinson
HB 1046: Sens. Cook; Hogue; Dotzenrod
HB 1424: Sens. Cook; Oehlke; Triplett

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2012: Reps. Pollert; Bellew; Kaldor
SB 2298: Reps. Kreidt; Hawken; Metcalf
SB 2309: Reps. Kasper; Ruby; Gruchalla
SB 2369: Reps. Delzer; Thoreson; Kroeber

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2327: Reps. Grande; Paur; Amerman

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has dissolved the Senate conference committee on: HB 1164.

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 1092.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1267, HB 1297.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2002, SB 2006, SB 2010, SB 2011, SB 2022, SB 2024, SB 2043, SB 2115, SB 2275, SB 2306, SB 2323, SCR 4003, SCR 4013.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1267, HB 1297.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2002, SB 2006, SB 2010, SB 2011, SB 2022, SB 2024, SB 2043, SB 2115, SB 2275, SB 2306, SB 2323, SCR 4003, SCR 4007, SCR 4013.

MOTION

REP. VIGESAA MOVED that the absent members 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., Tuesday, April 12, 2011, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1029, as engrossed: Your conference committee (Sens. Flakoll, Luick, Heckaman and Reps. Rust, Sanford, Mueller) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1332-1333 and place HB 1029 on the Seventh order.

Engrossed HB 1029 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