

## JOURNAL OF THE SENATE

## Sixty-fourth Legislative Assembly

\* \* \* \* \*

Bismarck, April 27, 2015

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

The prayer was offered by Pastor Shelly Pifer, Crystal River Ministry Center, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

**MOTION**

**SEN. DEVER MOVED** that the Senate reconsider its action whereby Reengrossed SB 2206 passed, which motion prevailed on a verification vote.

**MOTION**

**SEN. DEVER MOVED** that the Senate reconsider its action whereby the conference committee report was accepted and Reengrossed SB 2206 was placed on the Eleventh order of business, which motion prevailed on a verification vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. DEVER MOVED** that the conference committee report on Engrossed SB 2206 as printed on SJ pages 1741-1744 be rejected, which motion prevailed on a verification vote.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2015.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015**

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of transportation; to provide an appropriation to the state auditor; to provide an appropriation to the legislative assembly; to amend and reenact subdivision c of subsection 1 of section 15-10-17 and section 48-08-04 of the North Dakota Century Code, relating to North Dakota university system personnel and the use of legislative meeting rooms;"

Page 1, line 4, after the third semicolon insert "to provide for a legislative management study;"

Page 1, line 5, after "provide" insert "a statement of"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 5 with:

|                                             |              |             |               |
|---------------------------------------------|--------------|-------------|---------------|
| "Salaries and wages                         | \$19,803,315 | \$224,939   | \$20,028,254  |
| Accrued leave payments                      | 570,412      | (570,412)   | 0             |
| Operating expenses                          | 14,356,788   | (150,003)   | 14,206,785    |
| Emergency commission contingency fund       | 700,000      | 0           | 700,000       |
| Capital assets                              | 2,251,065    | 1,738,944   | 3,990,009     |
| Grants                                      | 430,000      | 125,000     | 555,000       |
| Guardianship grants                         | 828,600      | 0           | 828,600       |
| Prairie public broadcasting                 | 1,337,138    | 362,862     | 1,700,000     |
| State student internship program            | 200,000      | 50,000      | 250,000       |
| Health insurance pool - temporary employees | 0            | 5,000,000   | 5,000,000     |
| Total all funds                             | \$40,477,318 | \$6,781,330 | \$47,258,648  |
| Less estimated income                       | 8,730,630    | 2,689,760   | 11,420,390    |
| Total general fund                          | \$31,746,688 | \$4,091,570 | \$35,838,258" |

Page 2, replace line 17 with:

|                              |         |    |
|------------------------------|---------|----|
| "Prairie public broadcasting | 600,000 | 0" |
|------------------------------|---------|----|

Page 2, replace line 23 with:

|                    |   |          |
|--------------------|---|----------|
| "Facility projects | 0 | 205,000" |
|--------------------|---|----------|

Page 2, replace line 25 with:

|                          |   |         |
|--------------------------|---|---------|
| "West parking lot repair | 0 | 50,000" |
|--------------------------|---|---------|

Page 2, replace lines 27 through 30 with:

|                                             |               |              |
|---------------------------------------------|---------------|--------------|
| "Facility management projects               | 0             | 1,825,009    |
| Legislative wing electrical-related repairs | 0             | 310,000      |
| Total all funds                             | \$334,400,000 | \$8,840,009  |
| Less estimated income                       | 5,500,000     | 4,210,000    |
| Total general fund                          | \$328,900,000 | \$4,630,009" |

Page 3, after line 10, insert:

**"SECTION 4. 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 \$200,000,000, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided in this section at the request of the director of the department of transportation.

**SECTION 5. APPROPRIATION - HIGHWAY FUND - DEPARTMENT OF TRANSPORTATION.** There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$200,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhanced state highway investments, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

**SECTION 6. APPROPRIATION - STATE AUDITOR.** There is appropriated out of special funds derived from other income from fees charged to the North Dakota university system, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the state auditor for the purpose of conducting information technology security audits of the eleven institutions in the North Dakota university system, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 7. APPROPRIATION - LEGISLATIVE ASSEMBLY - MEETING ROOMS - REPORTS TO LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000 or so much of the sum as may be necessary, to the legislative assembly for the purpose of purchasing and installing audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms within the facility space expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative assembly, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding appropriated in this section is considered a one-time funding item.

The state court administrator shall provide periodic reports to the legislative procedure and arrangements committee during the 2015-16 interim regarding the status of the facility space expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative assembly."

Page 3, line 12, replace "\$1,400,000" with "\$1,710,000"

Page 3, line 12, after "fund" insert ", of which \$1,400,000 is"

Page 3, line 13, after "projects" insert "and \$310,000 is for legislative wing electrical and ceiling repairs"

Page 4, remove lines 24 through 29

Page 5, line 9, replace "12" with "15"

Page 5, after line 31, insert:

**"SECTION 16. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- c. Appoint and remove all university system office personnel, fix their salaries within the limits of legislative appropriations, fix their terms of office, and prescribe their duties. The board shall adopt a policy that provides that each vice chancellor in the university system office is considered to have resigned the individual's position as a vice chancellor upon the appointment of a commissioner of higher education.

**SECTION 17. AMENDMENT.** Section 48-08-04 of the North Dakota Century Code is amended and reenacted as follows:

**48-08-04. Use of legislative assembly rooms and halls.**

During the interim between legislative sessions, the committee rooms, halls, passageways, and other space in the capitol used by the legislative assembly, including the pioneer room and three additional meeting rooms comprising approximately four thousand square feet in the judicial wing of the capitol, may not be used without authorization of the legislative council.

Page 6, after line 1, insert:

**"SECTION 19. ONE-TIME FUNDING - ASSISTIVE TECHNOLOGY SERVICES.** The funding appropriated to the department of human services in Senate Bill No. 2289 as approved by the sixty-fourth legislative assembly, relating to assistive technology services is considered one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - BUDGET SECTION FUNCTIONS.** During the 2015-16 interim, the legislative management shall study the functions of the budget section. The study must review the duties and studies assigned to the budget section and the ability of the budget section to authorize financial decisions, including full-time equivalent positions, university system building projects, and project scope changes. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 21. LEGISLATIVE INTENT - STATE BOARD OF HIGHER EDUCATION - SEVERANCE PAY.** Notwithstanding any policy adopted by the board, the state board of higher education or an institution under its control may not approve or provide severance pay to any employee whose employment is terminated as a result of the transfer of positions from the state board of higher education to the attorney general as provided in House Bill No. 1003 as approved by the sixty-fourth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2015 - Summary of House Action**

| Base<br>Budget                     | Senate<br>Version | House<br>Changes | House<br>Version |
|------------------------------------|-------------------|------------------|------------------|
| Office of Management and<br>Budget |                   |                  |                  |

|                              |              |              |                |               |
|------------------------------|--------------|--------------|----------------|---------------|
| Total all funds              | \$40,477,318 | \$68,196,688 | (\$20,938,040) | \$47,258,648  |
| Less estimated income        | 8,730,630    | 19,625,335   | (8,204,945)    | 11,420,390    |
| General fund                 | \$31,746,688 | \$48,571,353 | (\$12,733,095) | \$35,838,258  |
| State Auditor                |              |              |                |               |
| Total all funds              | \$0          | \$0          | \$200,000      | \$200,000     |
| Less estimated income        | 0            | 0            | 200,000        | 200,000       |
| General fund                 | \$0          | \$0          | \$0            | \$0           |
| Legislative Assembly         |              |              |                |               |
| Total all funds              | \$0          | \$0          | \$160,000      | \$160,000     |
| Less estimated income        | 0            | 0            | 0              | 0             |
| General fund                 | \$0          | \$0          | \$160,000      | \$160,000     |
| Department of Transportation |              |              |                |               |
| Total all funds              | \$0          | \$0          | \$400,000,000  | \$400,000,000 |
| Less estimated income        | 0            | 0            | 200,000,000    | 200,000,000   |
| General fund                 | \$0          | \$0          | \$200,000,000  | \$200,000,000 |
| Bill total                   |              |              |                |               |
| Total all funds              | \$40,477,318 | \$68,196,688 | \$379,421,960  | \$447,618,648 |
| Less estimated income        | 8,730,630    | 19,625,335   | 191,995,055    | 211,620,390   |
| General fund                 | \$31,746,688 | \$48,571,353 | \$187,426,905  | \$235,998,258 |

### Senate Bill No. 2015 - Office of Management and Budget - House Action

|                                           | Base<br>Budget | Senate<br>Version | House<br>Changes | House<br>Version |
|-------------------------------------------|----------------|-------------------|------------------|------------------|
| Salaries and wages                        | \$19,803,315   | \$20,117,094      | (\$88,840)       | \$20,028,254     |
| Operating expenses                        | 14,356,788     | 14,206,785        |                  | 14,206,785       |
| Capital assets                            | 2,251,065      | 7,530,009         | (3,540,000)      | 3,990,009        |
| Grants                                    | 430,000        | 555,000           |                  | 555,000          |
| Emergency commission<br>contingency fund  | 700,000        | 700,000           |                  | 700,000          |
| Prairie public broadcasting               | 1,337,138      | 3,200,000         | (1,500,000)      | 1,700,000        |
| State student internship<br>program       | 200,000        | 250,000           |                  | 250,000          |
| Guardianship grants                       | 828,600        | 1,937,800         | (1,109,200)      | 828,600          |
| Accrued leave payments                    | 570,412        |                   |                  |                  |
| Health insurance pool - temp<br>employees |                | 5,000,000         |                  | 5,000,000        |
| Energy impact funding pool                |                | 14,700,000        | (14,700,000)     |                  |
| Total all funds                           | \$40,477,318   | \$68,196,688      | (\$20,938,040)   | \$47,258,648     |
| Less estimated income                     | 8,730,630      | 19,625,335        | (8,204,945)      | 11,420,390       |
| General fund                              | \$31,746,688   | \$48,571,353      | (\$12,733,095)   | \$35,838,258     |
| FTE                                       | 130.50         | 122.50            | 0.00             | 122.50           |

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

|                                           | Adjusts<br>Funding for<br>Health<br>Insurance<br>Premium<br>Increases <sup>1</sup> | Reduces<br>Funding for<br>Guardianship<br>Grants <sup>2</sup> | Removes One-<br>Time Funding<br>For Projects <sup>3</sup> | Reduces One-<br>Time Funding<br>for Parking Lot<br>Repairs <sup>4</sup> | Removes One-<br>Time Funding<br>for Energy<br>Impact<br>Funding <sup>5</sup> | Adds Funding<br>for Legislative<br>Wing Repairs <sup>6</sup> |
|-------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------|
| Salaries and wages                        | (\$88,840)                                                                         |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Operating expenses                        |                                                                                    |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Capital assets                            |                                                                                    |                                                               | (2,000,000)                                               | (1,250,000)                                                             |                                                                              | 310,000                                                      |
| Grants                                    |                                                                                    |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Emergency commission<br>contingency fund  |                                                                                    |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Prairie public broadcasting               |                                                                                    |                                                               | (1,500,000)                                               |                                                                         |                                                                              |                                                              |
| State student internship<br>program       |                                                                                    |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Guardianship grants                       |                                                                                    | (1,109,200)                                                   |                                                           |                                                                         |                                                                              |                                                              |
| Accrued leave payments                    |                                                                                    |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Health insurance pool - temp<br>employees |                                                                                    |                                                               |                                                           |                                                                         |                                                                              |                                                              |
| Energy impact funding pool                |                                                                                    |                                                               |                                                           |                                                                         | (14,700,000)                                                                 |                                                              |
| Total all funds                           | (\$88,840)                                                                         | (\$1,109,200)                                                 | (\$3,500,000)                                             | (\$1,250,000)                                                           | (\$14,700,000)                                                               | \$310,000                                                    |
| Less estimated income                     | (14,945)                                                                           | 0                                                             | 0                                                         | 0                                                                       | (8,500,000)                                                                  | 310,000                                                      |
| General fund                              | (\$73,895)                                                                         | (\$1,109,200)                                                 | (\$3,500,000)                                             | (\$1,250,000)                                                           | (\$6,200,000)                                                                | \$0                                                          |
| FTE                                       | 0.00                                                                               | 0.00                                                          | 0.00                                                      | 0.00                                                                    | 0.00                                                                         | 0.00                                                         |

|                        |                        |
|------------------------|------------------------|
| Reduces<br>Funding for | Total House<br>Changes |
|------------------------|------------------------|

|                                           | Facility<br>Management<br>Projects <sup>7</sup> |                |
|-------------------------------------------|-------------------------------------------------|----------------|
| Salaries and wages                        |                                                 | (\$88,840)     |
| Operating expenses                        |                                                 |                |
| Capital assets                            | (600,000)                                       | (3,540,000)    |
| Grants                                    |                                                 |                |
| Emergency commission<br>contingency fund  |                                                 |                |
| Prairie public broadcasting               |                                                 | (1,500,000)    |
| State student internship<br>program       |                                                 |                |
| Guardianship grants                       |                                                 | (1,109,200)    |
| Accrued leave payments                    |                                                 |                |
| Health insurance pool - temp<br>employees |                                                 |                |
| Energy impact funding pool                |                                                 | (14,700,000)   |
| Total all funds                           | (\$600,000)                                     | (\$20,938,040) |
| Less estimated income                     | 0                                               | (8,204,945)    |
| General fund                              | (\$600,000)                                     | (\$12,733,095) |
| FTE                                       | 0.00                                            | 0.00           |

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is reduced for guardianship grants to provide total funding of \$828,600, which is the same as the base level. The Senate added funding of \$1,109,200 from the general fund.

<sup>3</sup> One-time funding is removed for mechanical upgrades in the Heritage Center (\$600,000), Prairie Public Broadcasting projects (\$1.5 million), and Capitol elevator upgrades (\$1.4 million).

<sup>4</sup> One-time funding is reduced for west parking lot repairs to provide total funding of \$50,000 from the general fund. The Senate version provided \$1.3 million from the general fund.

<sup>5</sup> One-time funding is removed for the energy impact funding pool.

<sup>6</sup> One-time funding is added from the Capitol building fund for legislative wing electrical and ceiling repairs.

<sup>7</sup> This amendment reduces the funding for facility management projects to provide total funding of \$1,825,009 and identifies this funding as one-time funding. The Senate provided \$2,425,009 from the general fund as ongoing funding.

This amendment also:

- Adds a section to provide for a Legislative Management study of the functions of the Budget Section.
- Adds a section to identify the funding included in Senate Bill No. 2289 as one-time funding.
- Adds a section of legislative intent to restrict the State Board of Higher Education from providing severance payments to employees who are transferred to the Attorney General's office.
- Adds a section to require the State Board of Higher Education to adopt a policy for the resignation of vice chancellors when a new Commissioner of Higher Education is appointed.
- Clarifies the use of legislative meeting rooms during the interim.
- Provides an emergency clause for certain sections of the bill.

#### Senate Bill No. 2015 - State Auditor - House Action

Base  
Budget

Senate  
Version

House  
Changes

House  
Version

|                       |      |      |           |           |
|-----------------------|------|------|-----------|-----------|
| Operating expenses    |      |      | \$200,000 | \$200,000 |
| Total all funds       | \$0  | \$0  | \$200,000 | \$200,000 |
| Less estimated income | 0    | 0    | 200,000   | 200,000   |
| General fund          | \$0  | \$0  | \$0       | \$0       |
| FTE                   | 0.00 | 0.00 | 0.00      | 0.00      |

### Department No. 117 - State Auditor - Detail of House Changes

|                       |                                                                             |                                |
|-----------------------|-----------------------------------------------------------------------------|--------------------------------|
|                       | <b>Adds Funding<br/>for University<br/>System IT<br/>Audits<sup>1</sup></b> | <b>Total House<br/>Changes</b> |
| Operating expenses    | \$200,000                                                                   | \$200,000                      |
| Total all funds       | \$200,000                                                                   | \$200,000                      |
| Less estimated income | 200,000                                                                     | 200,000                        |
| General fund          | \$0                                                                         | \$0                            |
| FTE                   | 0.00                                                                        | 0.00                           |

<sup>1</sup> Funding from fees charged to the North Dakota University System is added for information technology security audits of the 11 institutions in the University System.

### Senate Bill No. 2015 - Legislative Assembly - House Action

|                       |                        |                           |                          |                          |
|-----------------------|------------------------|---------------------------|--------------------------|--------------------------|
|                       | <b>Base<br/>Budget</b> | <b>Senate<br/>Version</b> | <b>House<br/>Changes</b> | <b>House<br/>Version</b> |
| Operating expenses    |                        |                           | \$160,000                | \$160,000                |
| Total all funds       | \$0                    | \$0                       | \$160,000                | \$160,000                |
| Less estimated income | 0                      | 0                         | 0                        | 0                        |
| General fund          | \$0                    | \$0                       | \$160,000                | \$160,000                |
| FTE                   | 0.00                   | 0.00                      | 0.00                     | 0.00                     |

### Department No. 150 - Legislative Assembly - Detail of House Changes

|                       |                                                                                   |                                |
|-----------------------|-----------------------------------------------------------------------------------|--------------------------------|
|                       | <b>Adds One-Time<br/>Funding for<br/>Meeting Room<br/>Furnishings<sup>1</sup></b> | <b>Total House<br/>Changes</b> |
| Operating expenses    | \$160,000                                                                         | \$160,000                      |
| Total all funds       | \$160,000                                                                         | \$160,000                      |
| Less estimated income | 0                                                                                 | 0                              |
| General fund          | \$160,000                                                                         | \$160,000                      |
| FTE                   | 0.00                                                                              | 0.00                           |

<sup>1</sup> Adds one-time funding from the general fund for equipment, tables, chairs, and other furnishings for legislative meeting rooms in the judicial wing.

### Senate Bill No. 2015 - Department of Transportation - House Action

|                       |                        |                           |                          |                          |
|-----------------------|------------------------|---------------------------|--------------------------|--------------------------|
|                       | <b>Base<br/>Budget</b> | <b>Senate<br/>Version</b> | <b>House<br/>Changes</b> | <b>House<br/>Version</b> |
| Capital assets        |                        |                           | \$200,000,000            | \$200,000,000            |
| Transfers             |                        |                           | 200,000,000              | 200,000,000              |
| Total all funds       | \$0                    | \$0                       | \$400,000,000            | \$400,000,000            |
| Less estimated income | 0                      | 0                         | 200,000,000              | 200,000,000              |
| General fund          | \$0                    | \$0                       | \$200,000,000            | \$200,000,000            |
| FTE                   | 0.00                   | 0.00                      | 0.00                     | 0.00                     |

**Department No. 801 - Department of Transportation - Detail of House Changes**

|                       | General Fund<br>Transfer to<br>Highway Fund <sup>1</sup> | Adds Funding<br>for Enhanced<br>State Highway<br>Investments <sup>2</sup> | Total House<br>Changes |
|-----------------------|----------------------------------------------------------|---------------------------------------------------------------------------|------------------------|
| Capital assets        |                                                          | \$200,000,000                                                             | \$200,000,000          |
| Transfers             | 200,000,000                                              |                                                                           | 200,000,000            |
| Total all funds       | \$200,000,000                                            | \$200,000,000                                                             | \$400,000,000          |
| Less estimated income | 0                                                        | 200,000,000                                                               | 200,000,000            |
| General fund          | \$200,000,000                                            | \$0                                                                       | \$200,000,000          |
| FTE                   | 0.00                                                     | 0.00                                                                      | 0.00                   |

<sup>1</sup> This amendment adds a transfer of \$200 million from the general fund to the highway fund.

<sup>2</sup> One-time funding is added from the highway fund for enhanced state highway investments.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. KLEIN MOVED** that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed SB 2015 and Engrossed SB 2022, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed SB 2015:** Sens. Holmberg, Wardner, Schneider

**Engrossed SB 2022:** Sens. Krebsbach, Dever, Heckaman

**MOTION**

**SEN. KLEIN MOVED** that SB 2019 be placed at the bottom of the Seventh order, which motion prevailed.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SORVAAG MOVED** that the conference committee report on Engrossed SB 2008 as printed on SJ pages 1858-1860 be adopted.

**REQUEST**

**SEN. FLAKOLL REQUESTED** a recorded roll call vote, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the conference committee report on Engrossed SB 2008, the roll was called and there were 33 YEAS, 14 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; O'Connell; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

**NAYS:** Axness; Dotzenrod; Grabinger; Heckaman; Marcellais; Mathern; Murphy; Nelson; Oban; Robinson; Schneider; Sinner; Triplett; Warner

The conference committee report on Engrossed SB 2008 was adopted on a recorded roll call vote.

Engrossed SB 2008, as amended, was placed on the Eleventh order of business.

**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 provide for a railroad safety pilot program; to provide

for a railroad training program; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salary of public service commissioners and the special fuels excise taxes distribution of funds; to provide a statement of legislative intent; to authorize a transfer; to provide an effective date; 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, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2008 passed and the emergency clause was declared carried.

\*\*\*\*\*

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. KREBSBACH MOVED** that the conference committee report on Reengrossed HB 1009 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1009, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1009:** A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; to provide for a legislative management study; and to declare an emergency.

#### ROLL CALL

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed HB 1009, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. WANZEK MOVED** that the conference committee report on Reengrossed HB 1021 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1021, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to provide appropriations to certain agencies for desktop support services; to provide a legislative report; to provide a statement of legislative intent; to provide for transfers; to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact the new section to chapter 54-59 of the North Dakota Century Code as created by section 8 of Senate Bill No. 2326, as approved by the sixty-fourth legislative assembly, relating to the mandatory disclosure of information to the information technology department.



**ROLL CALL**

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

**YEAS:** Anderson; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Armstrong; Miller

Reengrossed HB 1021, as amended, passed.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SORVAAG MOVED** that the conference committee report on Engrossed SB 2019 as printed on SJ pages 1862-1865 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2019, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2019:** A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department; to provide a 2013-15 appropriation; to provide a grant to the International Peace Garden; to provide funding for the Lewis and Clark interpretive center; to provide an exemption; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Robinson; Rust; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Bowman; Larsen; Lee, J.; Poolman; Schaible

Reengrossed SB 2019 passed and the emergency clause was declared carried.

\*\*\*\*\*

**MOTION**

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

**THE SENATE RECONVENED** pursuant to recess taken, with President Pro Tempore Erbele presiding.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2015 and SB 2022, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2015:** Sens. Holmberg; Wardner; Schneider

**SB 2022:** Sens. Krebsbach; Dever; Heckaman

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has reconsidered its action whereby it passed and also the action by which it did concur with the House amendments to SB 2206 and subsequently does not concur with the House amendments to SB 2206, and the President has appointed

as a conference committee to meet with a like committee from the House on:

**SB 2206:** Dever; J. Lee; Warner

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1021.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2008.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2019.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1009.

**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: SB 2340.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2226.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1004, HB 1015, HB 1476.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1009, HB 1021.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2226.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2010, SB 2048, SB 2205.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2226.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1004, HB 1015, HB 1476.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1002, HB 1025, HB 1049, HB 1399.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1046, HB 1176, HB 1217, HB 1359, HB 1377.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 27, 2015: SB 2010, SB 2048, SB 2205.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 27, 2015: SB 2226.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2031, as reengrossed:** Your conference committee (Sens. Flakoll, Schaible, Marcellais and Reps. Nathe, D. Johnson, Hunsakor) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1176-1196, adopt amendments as follows, and place SB 2031 on the Seventh order:

That the House recede from its amendments as printed on pages 1176-1196 of the Senate Journal and pages 1388-1408 of the House Journal and that Reengrossed Senate Bill No. 2031 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-06, a new section to chapter 15.1-13, and section 15.1-09.1-02.2 of the North Dakota Century Code, relating to school district calendars, regional education associations, and the education standards and practices board; to amend and reenact sections 15-39.1-28, 15.1-06-04, 15.1-09-47, 15.1-09-48, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-04.1, 15.1-27-04.2, 15.1-27-23, 15.1-27-35.3, 15.1-27-45, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-17, 57-15-31, 57-19-01, 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-15-14.5, 57-15-17.1, and 57-19-04 and chapter 57-64 of the North Dakota Century Code, relating to the determination of state aid payable to school districts, school district levies, and mill levy reduction grants; to provide for a school district reporting review committee study; to provide for legislative management studies; to provide grants; to provide exemptions; to provide for contingent funding; to provide an effective date; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

**15-39.1-28. ~~(Effective for the first two taxable years beginning after December 31, 2012)~~ Tax levy for teachers' retirement.**

Any school district by a resolution of its school board may use the proceeds of levies, as permitted by section 57-15-14.2, for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

~~**(Effective after the first two taxable years beginning after December 31, 2012) Tax levy for teachers' retirement.** Any school district by a resolution of its school board may levy a tax pursuant to subdivision b of subsection 1 of section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.~~

**SECTION 2. 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;~~
  - e- ~~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 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 school year, a~~
  - 1. ~~A school district shall provide for a school calendar of at least one hundred eighty-two days that includes:~~
    - a. ~~One~~At least 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~~No more than ~~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~~At least two days of ~~professional development.~~
- 4.2. ~~a.~~ a. ~~A day for~~A day for professional development must consist of:
  - a. (1) ~~Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or~~
  - b. (2) Six hours of cumulative professional development conducted under the auspices of a professional learning community; or
  - (3) ~~Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.~~
- 5. ~~b.~~ b. ~~If a school district offers a four-hour period of professional development, as permitted in subdivision b of this 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~~subdivision ~~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.~~
- e.3. ~~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.~~

9-4. 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 3.** A new section to chapter 15.1-06 of the North Dakota Century Code is created and enacted as follows:

**School district calendar - Limitation.**

1. A school district may not schedule school-sponsored, school-directed, or school-related activities, including instructional time, during any day that the superintendent of public instruction declares is in conflict with a professional development conference directed toward all teachers or all administrators and hosted by an educational organization in this state.
2. The declaration permitted by subsection 1 is limited to two days during a school year.

**SECTION 4. AMENDMENT.** Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-09-47. (Effective for the first two taxable years beginning after December 31, 2012) Board of education of city of Fargo - Taxing authority.~~**

The board of education of the city of Fargo may levy taxes within the requirements or limitations of this title and title 57.

**~~(Effective after the first two taxable years beginning after December 31, 2012) Board of education of city of Fargo - Taxing authority.~~**

1. ~~The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:~~
  - a. ~~To purchase, exchange, lease, or improve sites for schools.~~
  - b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
  - c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
  - d. ~~To provide fuel.~~
  - e. ~~To defray the contingent expenses of the board, including the compensation of employees.~~
  - f. ~~To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~
2. ~~The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year~~

~~in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year.~~

**SECTION 5. AMENDMENT.** Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-09-48. (Effective for the first two taxable years beginning after December 31, 2012) Board of education of city of Fargo - Tax collection.~~**

1. The board of education of the city of Fargo may levy taxes within the boundaries of the Fargo public school district and cause the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall certify the rate for each purpose to the city auditor in time to be added to the annual tax list of the city.
2. The city auditor shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes.
3. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may make an assessment roll and tax list and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

**~~(Effective after the first two taxable years beginning after December 31, 2012) Board of education of city of Fargo - Tax collection.~~** The board of education of the city of Fargo has the power to levy taxes within the boundaries of the Fargo public school district and to cause such taxes to be collected in the same manner as other city taxes. The board of education shall cause the rate for each purpose to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the city auditor to calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may cause an assessment roll and tax list to be made and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

**SECTION 6.** Section 15.1-09.1-02.2 of the North Dakota Century Code is created and enacted as follows:

**15.1-09.1-02.2. Regional education association - Review process.**

In order to be eligible for state funding, a regional education association shall participate in and meet the requirements of a review process that is:

1. Designed to raise the quality of services offered by a regional education association to its members, in accordance with this chapter, through a continuous cycle of improvement; and
2. Approved by the superintendent of public instruction.

**SECTION 7.** A new section to chapter 15.1-13 of the North Dakota Century Code is created and enacted as follows:

**Satisfaction survey - Development - Utilization - Report to legislative management.**

1.
  - a. The superintendent of public instruction shall develop an electronic survey instrument that the education standards and practices board shall utilize at the conclusion of all interactions with individuals seeking information or services from the board.
  - b. The survey instrument must include references to quality; timeliness; the availability, courtesy, knowledge, and responsiveness of staff; the ease of obtaining information or services; and the cost and value of the interaction.
  - c. The education standards and practices board shall begin to utilize the survey no later than June 1, 2015.
2. The education standards and practices board shall compile the responses and provide reports regarding the results to an interim committee designated by the legislative management at the times and in the manner requested by the committee.
3. Any expenses incurred by the superintendent of public instruction in developing the survey instrument are the responsibility of the education standards and practices board.

**SECTION 8. 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 July 1, 2013, through June 30, 2015~~) 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.a.~~ 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - ~~e.b.~~ 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;
  - ~~d.~~ ~~0.20 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.c.~~ ~~0.30~~ 0.33 the number of full-time equivalent students who:
    - (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
    - (2) Are enrolled in a program of instruction for English language learners;
  - ~~f.d.~~ 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;
  - ~~g.~~ ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~



- ~~h.e.~~ ~~0.200.22~~ the number of full-time equivalent students who:
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be 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
  - (2) Are enrolled in a program of instruction for English language learners;
- ~~i.f.~~ 0.20 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;
- ~~g.~~ 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- ~~j.h.~~ 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- ~~k.i.~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- ~~l.j.~~ 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- ~~m.k.~~ 0.07 the number of full-time equivalent students who:
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient 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.l.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- ~~o.~~ ~~0.003 the number of students enrolled in average daily membership in each public school in the district that:~~
- ~~(1) Has acquired and is utilizing the PowerSchool student information system;~~
  - ~~(2) Has acquired and is in the process of implementing the PowerSchool student information system; or~~

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

~~p.m.~~ 0.002 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.

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, 2015) 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:~~
    - (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~~
    - (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. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - h. ~~0.20 the number of full-time equivalent students who:~~
    - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be 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~~
    - (2) ~~Are enrolled in a program of instruction for English language learners;~~
  - i. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - j. ~~0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average~~

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

- k. ~~0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - l. ~~0.07 the number of full-time equivalent students who:~~
    - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient 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;~~
  - 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.~~
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 9. 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 July 1, 2013, through June 30, 2015) 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-a.~~ 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
- ~~e-b.~~ 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;
- ~~d.~~ 0.20 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-c.~~ 0.300.40 the number of full-time equivalent students who:
- (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
  - (2) Are enrolled in a program of instruction for English language learners;
- ~~d.~~ 0.28 the number of full-time equivalent students who:
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be 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
  - (2) Are enrolled in a program of instruction for English language learners;
- ~~f-e.~~ 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;
- ~~g-~~ 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- ~~h-~~ 0.20 the number of full-time equivalent students who:
- (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be 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~~
  - (2) ~~Are enrolled in a program of instruction for English language learners;~~
- ~~f.~~ 0.20 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;
- ~~i-g.~~ 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- ~~j-h.~~ 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- ~~k-i.~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than

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

~~t.j.~~ 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;

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

- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient 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.l.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

~~o.~~ ~~0.003 the number of students enrolled in average daily membership in each public school in the district that:~~

- ~~(1) Has acquired and is utilizing the PowerSchool student information system;~~
- ~~(2) Has acquired and is in the process of implementing the PowerSchool student information system; or~~
- ~~(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and~~

~~p.m.~~ 0.002 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.

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, 2015) 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;~~

- e. ~~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:~~
  - (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~~
  - (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. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- h. ~~0.20 the number of full-time equivalent students who:~~
  - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be 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~~
  - (2) ~~Are enrolled in a program of instruction for English language learners;~~
- i. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- j. ~~0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~
- k. ~~0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- l. ~~0.07 the number of full-time equivalent students who:~~
  - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient 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;~~
- 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.~~
- ~~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 10. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.2. (Effective through June 30, 2015) School district size weighting factor - Weighted student units.**

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - a. 1.36 if the students in average daily membership number fewer than 110;
  - b. 1.35 if the students in average daily membership number at least 110 but fewer than 125;
  - ~~b.c.~~ 1.34 if the students in average daily membership number at least 125 but fewer than 130;
  - ~~e.d.~~ 1.33 if the students in average daily membership number at least 130 but fewer than 135;
  - ~~d.e.~~ 1.32 if the students in average daily membership number at least 135 but fewer than 140;
  - ~~e.f.~~ 1.31 if the students in average daily membership number at least 140 but fewer than 145;
  - ~~f.g.~~ 1.30 if the students in average daily membership number at least 145 but fewer than 150;
  - ~~g.h.~~ 1.29 if the students in average daily membership number at least 150 but fewer than 155;
  - ~~h.i.~~ 1.28 if the students in average daily membership number at least 155 but fewer than 160;
  - ~~i.j.~~ 1.27 if the students in average daily membership number at least 160 but fewer than 165;

- ~~j-k.~~ 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- ~~k-l.~~ 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~l-m.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~m-n.~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~n-o.~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~o-p.~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~p-q.~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~q-r.~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~r-s.~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~s-t.~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~t-u.~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~u-v.~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~v-w.~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~w-x.~~ 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~x-y.~~ 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- ~~y-z.~~ 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- ~~z-aa.~~ 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- ~~aa-bb.~~ 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- ~~bb-cc.~~ 1.08 if the students in average daily membership number at least 335 but fewer than 350;
- ~~cc-dd.~~ 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- ~~dd-ee.~~ 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- ~~ee-ff.~~ 1.05 if the students in average daily membership number at least 370 but fewer than 380;



- ~~ff-gg.~~ 1.04 if the students in average daily membership number at least 380 but fewer than 390;
  - ~~gg-hh.~~ 1.03 if the students in average daily membership number at least 390 but fewer than 400;
  - ~~hh-ii.~~ 1.02 if the students in average daily membership number at least 400 but fewer than 600;
  - ~~ii-jj.~~ 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
  - ~~jj-kk.~~ 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
    - a. 1.25 if the students in average daily membership number fewer than 125;
    - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
    - c. 1.00 if the students in average daily membership number at least 200.
  3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
  4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**~~(Effective after June 30, 2015) School district size weighting factor --~~  
Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - ~~a. 1.25 if the students in average daily membership number fewer than 185;~~
  - ~~b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;~~
  - ~~c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;~~
  - ~~d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;~~
  - ~~e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;~~
  - ~~f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;~~
  - ~~g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;~~

- h. ~~1.18 if the students in average daily membership number at least 270 but fewer than 275;~~
  - i. ~~1.17 if the students in average daily membership number at least 275 but fewer than 280;~~
  - j. ~~1.16 if the students in average daily membership number at least 280 but fewer than 285;~~
  - k. ~~1.15 if the students in average daily membership number at least 285 but fewer than 290;~~
  - l. ~~1.14 if the students in average daily membership number at least 290 but fewer than 295;~~
  - m. ~~1.13 if the students in average daily membership number at least 295 but fewer than 300;~~
  - n. ~~1.12 if the students in average daily membership number at least 300 but fewer than 305;~~
  - o. ~~1.11 if the students in average daily membership number at least 305 but fewer than 310;~~
  - p. ~~1.10 if the students in average daily membership number at least 310 but fewer than 320;~~
  - q. ~~1.09 if the students in average daily membership number at least 320 but fewer than 335;~~
  - r. ~~1.08 if the students in average daily membership number at least 335 but fewer than 350;~~
  - s. ~~1.07 if the students in average daily membership number at least 350 but fewer than 360;~~
  - t. ~~1.06 if the students in average daily membership number at least 360 but fewer than 370;~~
  - u. ~~1.05 if the students in average daily membership number at least 370 but fewer than 380;~~
  - v. ~~1.04 if the students in average daily membership number at least 380 but fewer than 390;~~
  - w. ~~1.03 if the students in average daily membership number at least 390 but fewer than 400;~~
  - x. ~~1.02 if the students in average daily membership number at least 400 but fewer than 600;~~
  - y. ~~1.01 if the students in average daily membership number at least 600 but fewer than 900; and~~
  - z. ~~1.00 if the students in average daily membership number at least 900.~~
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- a. ~~1.25 if the students in average daily membership number fewer than 125;~~
  - b. ~~1.17 if the students in average daily membership number at least 125 but fewer than 200; and~~

- e. ~~1.00 if the students in average daily membership number at least 200.~~
- 3. ~~The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.~~
- 4. ~~Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.~~

**SECTION 11. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04.1. (Effective through June 30, 2015) Baseline funding - Establishment - Determination of state aid.**

- 1. In order to determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
  - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
  - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
  - d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
  - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
  - f. An amount equal to:
    - (1) Seventy-five percent of all revenue received by the school district and 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;
    - (2) Seventy-five percent of all mineral revenue received by the school district through direct allocation from the state treasurer and not 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;
    - (3) Seventy-five percent of all tuition received by the school district and 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, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition received for the provision of an adult farm management program;

- (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
  - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
  - (6) All revenue received by the school district from mobile home taxes;
  - (7) Seventy-five percent of all revenue received by the school district from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
  - (8) All telecommunications tax revenue received by the school district; and
  - (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3.
  - a. ~~In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.~~
    - (1) ~~The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:~~
      - (a) ~~One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or~~
      - (b) ~~One hundred percent of the district's baseline funding as established in subsection 1.~~
    - (2) ~~The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.~~
  - b. ~~In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.~~
    - (1) ~~The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:~~
      - (a) ~~One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or~~
      - (b) ~~One hundred percent of the district's baseline funding as established in subsection 1.~~
    - (2) ~~The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as~~

~~established in subsection 2, multiplied by the district's 2014-15 weighted student units.~~

3. a. In 2015-16, the superintendent shall multiply the district's weighted student units by nine thousand three hundred sixty-five dollars.
  - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
    - (a) One hundred six percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or
    - (b) One hundred percent of the district's baseline funding as established in subsection 1.
  - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred thirty percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2016-17, the superintendent shall multiply the district's weighted student units by nine thousand six hundred forty-six dollars .
  - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
    - (a) One hundred eight percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
    - (b) One hundred percent of the district's baseline funding as established in subsection 1.
  - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred forty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
  - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, provided that after 2013, the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent; and
  - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

**SECTION 12. AMENDMENT.** Section 15.1-27-04.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04.2. (Effective through June 30, 2015) State aid - Minimum local effort - Determination.**

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to sixty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

**SECTION 13. AMENDMENT.** Section 15.1-27-23 of the North Dakota Century Code is amended and reenacted as follows:

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

1. ~~If because of severe weather or other emergency conditions a public school or school district remains closed or provides less than a full day of instruction, The board of each school district shall include in the school calendar days that may be used for the rescheduling of instructional time lost as a result of severe weather or other emergency conditions.~~
2.
  - a. The number of days required under subsection 1 must equal the average number of days per school year, as calculated using the previous five school years, during which the school district remained closed or provided less than a full day of instruction because of severe weather or other emergency conditions.
  - b. The number of days determined under subdivision a may be included within the calendar no earlier than the month of January.
3. If the number of days during which a public school or school district is closed or provides less than a full day of instruction exceeds the number of days determined under subdivision a of subsection 2, the public school or school district shall make every effort to reschedule the remaining classes, so that students receive at least the number of full instructional days required by section 15.1-06-04 or an equivalent period of instructional time, as determined by the superintendent of public instruction.
- ~~2.4.~~ Any public school or school district for which the rescheduling of classes would create undue hardship may request that, for purposes of calculating state aid payments to the school district, the governor waive the rescheduling in whole or in part.
- ~~3.5.~~ The governor may not grant a waiver for less than a full day of instruction. However, if a public school or school district closes for only a portion of its regular schoolday, the hours during which the school or school district is closed may be added together to determine the number of additional full days of instruction that may be waived under this section.

**SECTION 14. 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, 2015) Payments to school districts - Unobligated general fund balance.**

1.
  - a. 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.~~

- ~~b.~~ Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to 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 percent of its actual expenditures, plus twenty thousand dollars.
  - ~~e-b~~ Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to 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 thirty-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.~~
- 3-2. For purposes of this section, a district's unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

**~~(Effective after June 30, 2015) 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 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 15. AMENDMENT.** Section 15.1-27-45 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-45. ~~(Effective through June 30, 2015)~~ Property tax relief fund.**

- 1.
  - a. ~~The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to the property tax relief fund, as established by this section, and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.~~
  - ~~b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly.~~
- 2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.
- 3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 16. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-30-04. ~~(Effective for the first two taxable years beginning after December 31, 2012)~~ Provision of meals and lodging for high school students - Payment permitted.**

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence.

~~(Effective after the first two taxable years beginning after December 31, 2012) Provision of meals and lodging for high school students - Payment permitted - Levy.~~ Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.

**SECTION 17. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. ~~(Effective through June 30, 2015)~~ School construction projects - Loans.**

1. In order to provide school construction loans, the board of university and school lands may authorize the use of:
  - a. Fifty million dollars, or so much of that amount as may be necessary, from 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; and
  - b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08, for the period ending June 30, 2015.
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. If an eligible school district's taxable valuation per student is less than eighty percent of the state average taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of twenty million dollars or ninety percent of the actual project cost;
  - b. An interest rate discount equal to at least one hundred but not more than four hundred basis points below the prevailing tax-free bond rates; and



- c. A term of repayment that may extend up to twenty years.
- 4. If an eligible school district's taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of fifteen million dollars or eighty percent of the actual project cost;
  - b. An interest rate buydown equal to at least one hundred but not more than three 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 taxable valuation per student is equal to at least ninety percent of the state average taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ten million dollars or seventy percent of the actual project cost;
  - b. An interest rate discount equal to at least one hundred but not more than three hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 6. 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.
- 7. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 8. 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. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.
- 9.
  - a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
  - b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
  - c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest

of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.

- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
10. 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.

**~~(Effective after June 30, 2015) 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 twelve million dollars or eighty percent of the actual project cost;~~
  - ~~b. An interest rate discount equal to at least 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 ten million dollars or seventy percent of the actual project cost;~~
  - ~~b. An interest rate buydown equal to at least one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and~~

- e. ~~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 four million dollars or thirty percent of the actual project cost;~~
  - b. ~~An interest rate discount equal to at least 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.~~
- 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 18. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

**40-55-08. (Effective for the first two taxable years beginning after December 31, 2012) Election to determine desirability of establishing recreation system - How called.**

- 1. The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such
- 2. The questions referenced in subsection 1 may not be voted upon at the next general election unless such action of the governing body shall be taken, or such a petition to submit such the question shall be filed, thirty days prior to the date of such the election.
- 3. A school district may provide for the establishment, maintenance, and conduct of a public recreation system using the proceeds of levies, as permitted by section 57-15-14.2.

~~(Effective after the first two taxable years beginning after December 31, 2012) Election to determine desirability of establishing recreation system—~~  
**How called.** The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may levy a tax for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.

**SECTION 19. AMENDMENT.** Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

**40-55-09. (Effective for the first two taxable years beginning after December 31, 2012) Favorable vote at election - Procedure.**

1. Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election, by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and.
2. The governing body of the municipality shall thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in ~~such~~the municipality.
3. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality, after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system.
4. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes, until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy.
5. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if, in the opinion of the governing body, additional funds are needed for the efficient operation ~~thereof~~of the system.
6. This chapter does not limit the power of any municipality, school district, or park district to appropriate, on its own initiative, general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility.
7. A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

~~(Effective after the first two taxable years beginning after December 31, 2012) Favorable vote at election - Procedure.~~ Except in the case of a school

district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character building facility. A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2. A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

**SECTION 20. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-01.1. (Effective for the first two taxable years beginning after December 31, 2012) Protection of taxpayers and taxing districts.**

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
  - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;
  - b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
  - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and

- d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
  - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
  - d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
    - (1) The base year mill rate of the school district minus sixty mills; or
    - (2) Fifty mills.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
  - a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base

year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.

7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

**(Effective after the first two taxable years beginning after December 31, 2012) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. ~~No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.~~
2. ~~For purposes of this section:~~
  - a. ~~"Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;~~
  - b. ~~"Budget year" means the taxing district's year for which the levy is being determined under this section;~~
  - c. ~~"Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and~~
  - d. ~~"Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.~~
3. ~~A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:~~
  - a. ~~Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.~~

- b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
  - d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.
  - e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the base year.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
- a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

**SECTION 21. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:



**57-15-14. (Effective for the first two taxable years beginning after December 31, 2012) Voter approval of excess levies in school districts.**

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
  - a. 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.
  - b. 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.
  - c. 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.
  - d. 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.
  - e. For taxable years beginning after 2012:
    - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred fifteen mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
    - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by forty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
    - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is seventy mills on the dollar of the taxable valuation of the school district.
  - f. 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.

2. a. 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. No fewer than twenty-five signatures are required.
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
- c. 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.

**(Effective after the first two taxable years beginning after December 31, 2012) 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.

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 22. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. (Effective for the first two taxable years beginning after December 31, 2012) School district levies.**

1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
  - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
  - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
6. ~~For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of eighty-two mills. For purposes of this subsection, the allowable increase in dollars is determined by multiplying the 2013 taxable valuation of the district by the sum of sixty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.~~

**(Effective after the first two taxable years beginning after December 31, 2012) Mill levies requiring board action -- Proceeds to general fund account.**

1. ~~A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~

- a. ~~Board and lodging for high school students as provided in section 15.1-30-04.~~
- b. ~~The teachers' retirement fund as provided in section 15-39.1-28.~~
- c. ~~Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
- d. ~~Special education program as provided in section 15.1-32-20.~~
- e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
- f. ~~A final judgment obtained against a school district.~~
- g. ~~The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
- h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school building construction shall apply to any rented or leased buildings, property, or classroom space.~~
- i. ~~Unemployment compensation benefits.~~
- j. ~~The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
- k. ~~Participating in cooperative career and technical education programs approved by the state board.~~
- l. ~~Maintaining a career and technical education program approved by the state board and established only for that school district.~~
- m. ~~Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
- n. ~~Establishing and maintaining school library services.~~
- o. ~~Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
- p. ~~Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
- q. ~~Establishing, maintaining, and conducting a public recreation system.~~
- r. ~~The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~

2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~

**SECTION 23. AMENDMENT.** Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-17. (~~Effective through June 30, 2015~~) Disposition of building fund tax.**

~~Revenue raised for building purposes shall be disposed of as follows:~~

1. a. All revenue accruing from appropriations or tax levies for a school district building fund, together with ~~such amounts~~ any amount as may be realized for building purposes from all other sources, must be placed in a separate fund known as a school building fund and must be:
  - (1) Be deposited, held, or invested in the same manner as the sinking funds of such school district; or in
  - (2) Be used for the purchase of shares or securities of federal or state-chartered savings and loan associations, within the limits of federal insurance.
- b. ~~The funds~~ Moneys in the building fund may only be used for the following purposes:
  - (1) The construction of school district buildings and facilities;
  - (2) The renovation, repair, or expansion of school district buildings and facilities;
  - (3) The improvement of school district buildings, facilities, and real property;
  - (4) The leasing of buildings and facilities;
  - (5) The payment of rentals upon contracts with the state board of public school education;
  - (6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57; and
  - (7) The payment of principal, premiums, and interest on bonds issued in accordance with subsection 7 of section 21-03-07.
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.

2. Any moneys remaining in a school building fund after the completion of the payments for any school building project ~~which that~~ has cost seventy-five percent or more of the amount in ~~such the~~ building fund at the time of letting the contracts therefor shall, must be returned to the general fund of the school district, upon the order of the school board.
3. ~~The governing body of any board of a~~ school district may pay into the general fund of the school district any moneys ~~which that~~ have remained in the school building fund for a period of ten years or more, ~~and such district may include the same as a.~~ The board may include this amount as part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in ~~said the~~ fund for ten years or more, all payments ~~which that~~ have been paid from the school made from the building fund for building purposes shall must be considered as having been paid from the funds first acquired.
4.
  - a. ~~Whenever~~ If collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, ~~a majority of the governing body the~~ board of a school district may transfer unobligated funds from the school building fund into the general fund of the school district ~~if,~~ provided the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. ~~No school district~~
  - b. A board may not transfer funds from the school building fund into the general fund for more than two years.

**(Effective after June 30, 2015) Disposition of building fund tax.** Revenue raised for building purposes shall be disposed of as follows:

1.
  - a. ~~All revenue accruing from appropriations or tax levies for a school building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state chartered savings and loan associations within the limits of federal insurance.~~
  - b. ~~The funds may only be used for the following purposes:~~
    - (1) ~~The erection of new school buildings or facilities, or additions to old school buildings or facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.~~
    - (2) ~~The payment of rentals upon contracts with the state board of public school education.~~
    - (3) ~~The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57.~~
    - (4) ~~Within the limitations of school plans as provided in subsection 2 of section 57-15-16.~~
    - (5) ~~The payment of principal, premium, if any, and interest on bonds issued pursuant to subsection 7 of section 21-03-07.~~
    - (6) ~~The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.~~

- e. ~~The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.~~
- 2. ~~Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.~~
- 3. ~~The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.~~
- 4. ~~Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.~~

**SECTION 24. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-31. (Effective for the first two taxable years beginning after December 31, 2012) Determination of levy.**

- 1. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes ~~shall~~must be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:
  - 1. ~~a.~~ a. The available surplus consisting of the free and unencumbered cash balance~~;~~;
  - 2. ~~b.~~ b. Estimated revenues from sources other than direct property taxes~~;~~;
  - 3. ~~c.~~ c. The total estimated collections from tax levies for previous years~~;~~;
  - 4. ~~d.~~ d. ~~Such expenditures as are to~~Expenditures that must be made from bond sources~~;~~;
  - 5. ~~e.~~ e. The amount of distributions received from an economic growth increment pool under section 57-15-61~~;~~ and
  - 6. ~~f.~~ f. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
- 2. Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**(Effective after the first two taxable years beginning after December 31, 2012) Determination of levy.** The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be

computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**SECTION 25. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

**~~57-19-01. (Effective through June 30, 2015) School district may establish- Establishment of special reserve fund.~~**

Each school district in this state may establish and maintain a special reserve fund, subject to the limitations in section 57-15-14.2. The balance of moneys in the fund may not exceed that which could be produced by a levy of fifteen mills in that district for that year.

**~~(Effective after June 30, 2015) School district may establish special reserve fund.~~** Each school district in this state may establish and maintain a special reserve fund which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum which could be produced by a levy of the maximum mill levy allowed by law in that district for that year.

**SECTION 26. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

**~~57-19-02. (Effective through June 30, 2015) Special reserve fund - Separate trust fund~~**Transfer.****

1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance.
2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

**~~(Effective after June 30, 2015) Special reserve fund - Separate trust fund.~~** The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter. Moneys in the fund may be deposited, held, or invested in the same manner as the sinking fund of the district



or in the purchase of shares or securities of federal savings and loan associations or state chartered building and loan associations, within the limits of federal insurance. The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.

**SECTION 27. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-19-09. (Effective through June 30, 2015) When Special reserve fund may be transferred-Correction of error.**

~~Any~~If a school district which has heretofore by mistake, or for any other reason, considered all or any part of ~~its~~ special reserve fund, as provided for in chapter 57-19, in determining ~~the~~its budget for the school district which has ~~and~~ deducted all or any part of the funds in such ~~its~~ special reserve fund from the amount necessary to be levied for any school ~~a~~ fiscal year, ~~the district~~ may transfer from ~~the~~its special reserve fund into ~~the~~its general fund all or any part of such amounts ~~which have been~~the amount that was so considered, contrary to the provisions of section 57-19-05.

**(Effective after June 30, 2015) When fund may be transferred.** Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.

**SECTION 28. SCHOOL DISTRICT REPORTING REVIEW COMMITTEE - STUDY.**

1. The superintendent of public instruction shall serve as the chairman of the school district reporting review committee. During the 2015-16 interim, the committee shall review statutory and regulatory reporting requirements imposed upon school districts, with a view toward eliminating reporting requirements that are duplicative or unnecessary and streamlining the reporting process.
2. The school district reporting review committee consists of:
  - a. Six individuals, selected by the superintendent of public instruction and representing small, medium, and large school districts, provided each individual must be a school district superintendent or a business manager;
  - b. Four staff members from the department of public instruction, who are familiar with state and federal school district reporting requirements;
  - c. The chairman of the senate education committee or the chairman's designee;

- d. The chairman of the house education committee or the chairman's designee; and
  - e. One member of the legislative assembly from the minority party, appointed by the chairman of the legislative management.
3. Members of the legislative assembly serving on the committee are entitled to compensation at the rate provided for in accordance with section 54-03-20 and to reimbursement for expenses, as provided by law for state officers, if the members are attending meetings or performing duties required by the appointment.
4. Before July 1, 2016, the superintendent of public instruction shall report the committee's findings and recommendations to the legislative management.

**SECTION 29. LEGISLATIVE MANAGEMENT STUDY - KINDERGARTEN THROUGH GRADE TWELVE CONTENT STANDARDS AND ASSESSMENTS.** The legislative management shall study content standards and assessments.

1. The study must:
  - a. Provide for a review of the content standards applicable to all grade levels in this state, from kindergarten through twelve, in the areas of English language arts and mathematics;
  - b. Compare the content standards of this state to those of other states that are recognized as having high academic achievement levels; and
  - c. Review the standards development process.
2. The study must:
  - a. Review the purpose of general and alternate student assessments;
  - b. Examine the availability of existing and proposed assessment models; and
  - c. Examine the assessments utilized by other states that are recognized as having high academic achievement levels.
3. The study must review those sections of the Elementary and Secondary Education Act [20 U.S.C. 6301, et seq.] that address standards, assessments, accountability, and local flexibility, and any recent pertinent regulatory changes or policy statements issued by the United States department of education.
4. The legislative council may seek assistance from individuals who are content specialists at the higher education level, individuals who are content and assessment specialists at the elementary or high school level, and other professionals, as necessary, to complete the directives of this section.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 30. ENGLISH LANGUAGE LEARNER GRANTS.**

1. During the 2015-17 biennium, the superintendent of public instruction shall expend up to \$1,000,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-fourth legislative assembly, for the purpose of providing grants to the four school districts that serve the largest number

of first and second level English language learners in kindergarten through grade twelve.

2. In order to determine the amount that a school district may receive under this section, the superintendent of public instruction shall provide a pro rata share of the available grant dollars to each eligible district based upon the total number of first and second level English language learners enrolled in the four districts.
3. A district may expend moneys received under this section only for the purpose of enhancing services to first and second level English language learners. Permissible purposes include the hiring of additional teachers, interpreters, and social workers for first and second level English language learners and the provision of other ancillary support services and programs, approved by the superintendent of public instruction.
4. The superintendent of public instruction may not award more than fifty percent of the funds available under this section during the first year of the biennium.

**SECTION 31. EXEMPTION - AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT.** The unexpended amount remaining from the transfer of \$250,000, as permitted in section 61 of chapter 13 of the 2013 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium, for the purpose of continuing the grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector.

**SECTION 32. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - ADVANCED PLACEMENT COURSES - DELIVERY AND PARTICIPATION.** Notwithstanding section 54-44.1-11, if any moneys remain in the integrated formula payments line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2013-15 biennium, the superintendent shall firstly use \$1,252,627, or so much of that amount as may be necessary, for the purpose of enhancing the delivery and the participation of students and teachers in advanced placement courses, for the biennium beginning with the effective date of this Act and ending June 30, 2017.

**SECTION 33. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - EARLY CHILDHOOD EDUCATION IMPACT STUDY.** Notwithstanding section 54-44.1-11, if any moneys remain in the integrated formula payments line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2013-15 biennium, the superintendent shall secondly use \$200,000, or so much of the sum as may be necessary, for the purpose of contracting with a research institution in this state to study the impact of early childhood education provider grants, for the biennium beginning with the effective date of this Act and ending June 30, 2017.

**SECTION 34. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - REGIONAL EDUCATION ASSOCIATIONS - REVIEW PROCESS.** Notwithstanding section 54-44.1-11, if any moneys remain in the integrated formula payments line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2013-15 biennium, the superintendent shall thirdly use \$50,000, or so much of that amount as may be necessary, for the purpose of providing a review process for regional education associations, for the biennium beginning with the effective date of this Act and ending June 30, 2017.

**SECTION 35. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - OPEN EDUCATIONAL RESOURCES.** Notwithstanding section 54-44.1-11, if any moneys remain in the integrated formula payments line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2013-15 biennium, the superintendent shall fourthly use \$100,000, or so much of the sum as may be necessary, for the purpose of providing grants to foster the creation of open curricular and instructional materials, including textbooks utilized in required course offerings as set forth in section 15.1-21-02, and

in particular textbooks utilized in advanced placement and dual credit courses, in order to reduce the related acquisition costs, for the biennium beginning with the effective date of this Act and ending June 30, 2017. Any instructional materials, including textbooks, developed in whole or in part with a grant awarded under this section, must be made available, free of charge, to all school districts in this state.

**SECTION 36. LEGISLATIVE MANAGEMENT STUDY - CAREER AND TECHNICAL EDUCATION.** During the 2015-16 interim, the legislative management shall consider studying the nature and scope of career and technical education opportunities available to students in this state, the manner in which such opportunities are financially supported, and the manner in which such opportunities are monitored to ensure that they provide students with twenty-first century technical skills that are aligned to industry standards, in addition to providing appropriate academic foundations. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 37. LEGISLATIVE MANAGEMENT STUDY - TEACHER PREPARATION PROGRAMS.** During the 2015-16 interim, the legislative management shall consider studying teacher training programs in this state, including requirements for admission into a program, the requisite course of study, student teaching opportunities, and mentoring for new teachers. The study should also include an examination of collaborative efforts between schools of education and school districts in this state, and a comparative review of teacher training programs in other jurisdictions. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 38. REPEAL.** Sections 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-15-14.5, 57-15-17.1, and 57-19-04 and chapter 57-64 of the North Dakota Century Code are repealed.

**SECTION 39. EFFECTIVE DATE.** Section 9 of this Act becomes effective on July 1, 2017.

**SECTION 40. EMERGENCY.** Sections 7 and 17 and sections 31 through 35 of this Act are declared to be an emergency measure."

Renumber accordingly

Reengrossed SB 2031 was placed on the Seventh order of business on the calendar.

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

**SB 2039, as engrossed:** Your conference committee (Sens. Schaible, Flakoll, Oban and Reps. Brandenburg, Vigesaa, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1373-1376, adopt amendments as follows, and place SB 2039 on the Seventh order:

That the House recede from its amendments as printed on pages 1373-1376 of the Senate Journal and pages 1555-1558 of the House Journal and that Engrossed Senate Bill No. 2039 be amended as follows:

Page 1, line 2, replace the first "a" with "two"

Page 1, line 2, replace "section" with "sections"

Page 1, line 3, after "scholarship" insert "endowment"

Page 1, line 3, remove "and"

Page 1, line 4, after "fund" insert ", and school construction loans; to amend and reenact section 15.1-36-01, subsection 1 of section 15.1-36-02, section 16.1-01-11, and subsection 1 of section 57-62-02 of the North Dakota Century Code, relating to

school construction approval and loans, bond elections, and the coal development trust fund"

Page 1, line 4, remove "and"

Page 1, line 5, after "date" insert "; and to declare an emergency"

Page 1, line 9, after "**Scholarship**" insert "**endowment**"

Page 1, line 9, after "**fund**" insert "**- Rules**"

Page 1, after line 9 insert:

"1. "

Page 1, line 10, after "scholarship" insert "endowment"

Page 1, line 11, after the underscored period insert:

"2. "

Page 1, line 11, replace "Any" with "All"

Page 1, line 11, replace "or" with "and"

Page 1, line 11, remove the second "must"

Page 1, line 12, replace "be used to award" with "are dedicated to the awarding of"

Page 1, line 13 after the underscored period insert:

"3. "

Page 1, line 13, remove "The state board of higher education shall develop rules and guidelines"

Page 1, line 14, replace "for the award of scholarships" with "Scholarships may be awarded only"

Page 1, line 14, after "from" insert "the"

Page 1, line 14, after "fund" insert "and not from the fund's principal"

Page 1, line 18, after "Any" insert "accessible"

Page 1, line 18, after "after" insert "completion of the required"

Page 1, line 19, replace "to provide" with "for educationally-related purposes, including"

Page 1, after line 20, insert:

**"SECTION 3. AMENDMENT.** Section 15.1-36-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-01. School construction projects - Approval.**

1. Notwithstanding the powers and duties of school boards provided by law, the superintendent of public instruction shall approve the construction, purchase, repair, improvement, modernization, or renovation of any public school building or facility before commencement of the project if the cost of the project, as estimated by the school board, is in excess of one hundred thousand dollars.
2. The superintendent of public instruction may not approve a project unless the school district proposing the project:

- a. Demonstrates the need for the project and the educational utility of the project or demonstrates potential utilization of the project by a future reorganized school district;
  - b. ~~In the case of new construction or a renovation affecting more than fifty percent of an existing structure's square footage, demonstrates that circumstances within the district are likely to result in a stable or increasing student population~~
    - (1) Demonstrates that the student population has been stable or has increased during the preceding five school years and is expected to be stable or to increase during the ensuing five school years; or
    - (2) Demonstrates by clear and convincing evidence that, despite a declining student population, there are no feasible alternatives to the proposed project; and
  - c. Demonstrates the capacity to pay for the project under rules adopted by the superintendent of public instruction pursuant to chapter 28-32.
3. a. If the superintendent of public instruction denies the project, the school board may appeal the superintendent's decision to the state board of public school education. In considering the appeal, the state board shall review:
    - (1) The need for the project;
    - (2) The educational utility of the project;
    - (3) The potential use of the project by a future reorganized school district;
    - (4) The capacity of the district to pay for the project; and
    - (5) Any other objective factors relative to the appeal.
  - b. The decision of the state board is final.
4. This section is applicable to any construction, purchase, repair, improvement, renovation, or modernization, even if the school board pays for the project in whole or in part with moneys 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 or in accordance with moneys received under the American Recovery and Reinvestment Act of 2009.
  5. For purposes of this chapter, "facility" includes a public school parking lot, public school athletic complex, or any other improvement to real property owned by the school district.

**SECTION 4. AMENDMENT.** Subsection 1 of section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

1. In order to provide school construction loans, the board of university and school lands may authorize the use of:
  - a. Fifty million dollars, or so much of that amount as may be necessary, from 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; and
  - b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08, for the period ending June 30, 2015.

**SECTION 5.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction loans - Bank of North Dakota.**

1. In addition to any construction loans made available under section 15.1-36-02, the Bank of North Dakota may provide up to two hundred million dollars from the school construction assistance loan fund to eligible school districts for school construction loans, except that the total of all loans provided under this section prior to July 1, 2018, may not exceed fifty percent of the total amount authorized under this subsection.
2. To be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a new construction or remodeling 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 project under section 15.1-36-01;
  - c.
    - (1) Request from the tax commissioner a statement of the estimated tax increase, in mills and dollars, which would be applicable to a residential parcel of average true and full value within the county in which the school district is headquartered, if a loan under this section and any associated school construction bond issue were to be authorized in accordance with chapter 21-03;
    - (2) Request from the tax commissioner a statement of the estimated tax increase, in mills and dollars, which would be applicable to an acre of cropland and to an acre of noncropland, of average true and full value within the county in which the school district is headquartered, if a loan under this section and any associated school construction bond issue were to be authorized in accordance with chapter 21-03;
    - (3) Publish in the official newspaper of the district the information from the statements required by this subdivision with the notice of the election to authorize the school construction bond issuance in accordance with section 21-03-12; and
    - (4) Post on the school district's website the information from the statements preceding the date of the election to authorize the school construction bond issuance in accordance with chapter 21-03;
  - d. Receive authorization for a bond issuance in accordance with chapter 21-03; and
  - e. Submit a completed application to the Bank of North Dakota.
3. With the advice and consent of the superintendent of public instruction, the Bank of North Dakota shall award the loans in accordance with a prioritization system that is based on a review of all applications filed during the twelve-month period preceding April first and gives consideration to:
  - a. Student occupancy and academic needs in the district;
  - b. The age of existing structures to be replaced or remodeled;
  - c. Building design proposals that are based on safety and vulnerability assessments;

- d. Community support;
  - e. Cost; and
  - f. Any other criteria established in rule by the superintendent of public instruction, after consultation with an interim committee appointed by the legislative management.
4. The term of a loan under this section is twenty years, unless a shorter term is requested by the board of a school district in its application.
  5. The interest rate on a loan under this section may not exceed two percent. The legislative assembly shall, however, conduct a biennial review of interest rates applicable to new loans.
  6. If a school district's unobligated general fund balance on the preceding June thirtieth exceeds the limitation set forth under section 15.1-27-35.3, the loan amount to which that district is entitled under this section may not exceed eighty percent of the project's cost.
  7. The maximum loan amount to which a school district is entitled under this section is twenty million dollars.
  8.
    - a. The Bank of North Dakota shall manage and service each loan under this section and shall execute all necessary loan instruments. The Bank may charge a school district a fee for managing and servicing the loan.
    - b. The Bank shall receive payments of principal and interest from school districts and shall deposit such payments in the school construction assistance loan fund."

Page 2, after line 1, insert "1."

Page 2, line 3, after the underscored period insert: "The fund consists of:

- a. All moneys appropriated or transferred to the fund by the legislative assembly;
- b. One hundred fifty million dollars from the strategic investment and improvements fund, which had been allocated by the sixty-third legislative assembly for school construction loans in accordance with section 15.1-36-02;
- c. The income, including interest payments on loans from the coal development trust fund, as authorized in accordance with section 57-62-02; and
- d. All interest or other earnings of the fund, and all repayments of loans made from the fund.

2."

Page 2, line 4, remove ". Any interest or other earnings of the fund must be"

Page 2, line 5, replace "deposited in the fund" with ", in accordance with this chapter"

Page 2, after line 5, insert:

**"SECTION 7. AMENDMENT.** Section 16.1-01-11 of the North Dakota Century Code is amended and reenacted as follows:



**16.1-01-11. Certain questions not to be voted upon for three months.**

1. Whenever at any election a bond issue or mill levy question has failed to receive the required number of votes for approval by the electors, the matter may not again be submitted to a vote until a period of at least three months has expired, ~~and in no event may more.~~
2.
  - a. More than two elections on the same general matter may not be held within twelve consecutive calendar months.
  - b. If the matter to be placed before the electors for a third or subsequent time involves authorization for a school construction bond issuance in accordance with chapter 21-03, the board of the school district shall resubmit its school construction proposal to the superintendent of public instruction for the purpose of obtaining the superintendent's approval, in the same manner as required for an initial approval in accordance with section 15.1-36-01.

**SECTION 8. AMENDMENT.** Subsection 1 of section 57-62-02 of the North Dakota Century Code is amended and reenacted as follows:

1. Thirty percent must be deposited in a permanent trust fund in the state treasury, to be known as the coal development trust fund, pursuant to section 21 of article X of the Constitution of North Dakota. Those funds held in trust and administered by the board of university and school lands on March 5, 1981, pursuant to section 12, chapter 563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13, chapter 626, 1979 Session Laws must also be deposited in the trust fund created pursuant to this subsection. The fund must be held in trust and administered by the board of university and school lands for loans to coal-impacted counties, cities, and school districts as provided in section 57-62-03 and for loans to school districts pursuant to chapter 15.1-36. The board of university and school lands may invest such funds as are not loaned out as provided in this chapter and may consult with the state investment board as provided by law. The income, including interest payments on loans, from the trust must be used first to replace uncollectible loans made from the fund and the balance must be deposited in the ~~state's general~~ school construction assistance loan fund. Loan principal payments must be redeposited in the trust fund. The trust fund must be perpetual and held in trust as a replacement for depleted natural resources subject to the provisions of this chapter and chapter 15.1-36."

Page 2, line 7, replace "July 1, 2016" with "with the effective date of this section"

Page 2, line 9, replace "\$300,000,000" with "\$200,000,000"

Page 2, line 10, replace "July" with "December"

Page 2, line 13, after "**SCHOLARSHIP**" insert "**ENDOWMENT**"

Page 2, line 13, replace "July 1, 2016" with "with the effective date of this section"

Page 2, line 15, replace "\$300,000,000" with "\$200,000,000"

Page 2, line 15, replace "July" with "December"

Page 2, line 16, after "scholarship" insert "endowment"

Page 2, line 17, remove "4, and"

Page 2, line 17, after "5" insert ", 9, and 10"

Page 2, line 19, remove "4,"

Page 2, line 20, remove "and"

Page 2, line 20, after "5" insert ", 9, and 10"

Page 2, line 20, replace "July" with "December"

Page 2, after line 20, insert:

**"SECTION 12. EMERGENCY.** This Act is declared to be an emergency measure."

ReNUMBER accordingly

Engrossed SB 2039 was placed on the Seventh order of business on the calendar.

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

**SEN. SCHAIBLE MOVED** that the conference committee report on Engrossed SB 2039 as printed on SJ pages 1886-1887 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2039, as amended, was placed on the Eleventh order of business.

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

**SB 2039:** A BILL for an Act to create and enact a new section to chapter 15-10, a new section to chapter 15.1-27, and two new sections to chapter 15.1-36 of the North Dakota Century Code, relating to a scholarship endowment fund, uses of the foundation aid stabilization fund, a school construction assistance loan fund, and school construction loans; to amend and reenact section 15.1-36-01, subsection 1 of section 15.1-36-02, section 16.1-01-11, and subsection 1 of section 57-62-02 of the North Dakota Century Code, relating to school construction approval and loans, bond elections, and the coal development trust fund; to provide a continuing appropriation; to provide for transfers; to provide for a contingent effective date; and to declare an emergency.

#### **ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2039 passed and the emergency clause was declared carried.

\*\*\*\*\*

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

**SEN. FLAKOLL MOVED** that the conference committee report on Reengrossed SB 2031 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2031, as amended, was placed on the Eleventh order of business.

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

**SB 2031:** A BILL for an Act to create and enact a new section to chapter 15.1-06, a new section to chapter 15.1-13, and section 15.1-09.1-02.2 of the North Dakota Century Code, relating to school district calendars, regional education associations, and the education standards and practices board; to amend and reenact sections 15-39.1-28, 15.1-06-04, 15.1-09-47, 15.1-09-48, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-04.1, 15.1-27-04.2, 15.1-27-23, 15.1-27-35.3, 15.1-27-45, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-17, 57-15-31, 57-19-01, 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1, 15.1-27-42,

15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-15-14.5, 57-15-17.1, and 57-19-04 and chapter 57-64 of the North Dakota Century Code, relating to the determination of state aid payable to school districts, school district levies, and mill levy reduction grants; to provide for a school district reporting review committee study; to provide for legislative management studies; to provide grants; to provide exemptions; to provide for contingent funding; to provide an effective date; and to declare an emergency.

#### ROLL CALL

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2031 passed and the emergency clause was declared carried.

\*\*\*\*\*

#### MOTION

**SEN. KLEIN MOVED** that the Senate stand in recess until 5:00 p.m., which motion prevailed.

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

#### 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 2015:** Reps. Delzer; Carlson; Onstad

**SB 2022:** Reps. Thoreson; Keiser; Hogan

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2031, SB 2039.

#### 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 1059.

#### 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: SB 2143.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2012.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: HB 1437.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2006, SB 2023, SB 2178, SB 2340.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The President has signed: HB 1009, HB 1021.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1004, HB 1015, HB 1476.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1009, HB 1021.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2006, SB 2023, SB 2178, SB 2340.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 27, 2015, I have signed the following: SB 2010, SB 2017, SB 2048, and SB 2205.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has overridden the Governor's veto on HB 1033. The vote was 67 YEAS, 23 NAYS, 4 ABSENT AND NOT VOTING, and your favorable consideration is requested.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2020, as engrossed:** Your conference committee (Sens. G. Lee, Holmberg, Robinson and Reps. Schmidt, Streyle, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1700-1709, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1510-1518 of the Senate Journal and pages 1700-1709 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after the second semicolon insert "to create and enact three new sections to chapter 61-02 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit, to the state water commission cost-share policy, and to North Dakota outdoor heritage fund grants and cost-share;"

Page 1, line 3, remove "to repeal section"

Page 1, line 4, remove "61-02-78 of the North Dakota Century Code, relating to the infrastructure revolving loan fund;"

Page 1, line 5, after the first semicolon insert "to designate funding; to provide contingent allocations; to provide for a report to the legislative assembly;"

Page 1, line 5, remove "and"

Page 1, line 6, after "study" insert "; to provide for a state water commission study; and to declare an emergency"

Page 1, line 11, replace "biennium" with "period"

Page 1, line 11, replace "July 1, 2015" with "with the effective date of this Act"

Page 1, replace lines 15 through 21 with:

|                                     |                    |                    |                      |
|-------------------------------------|--------------------|--------------------|----------------------|
| "Accrued leave payments             | \$325,774          | (\$325,774)        | \$0                  |
| Administrative and support services | 4,716,665          | 818,953            | 5,535,618            |
| Water and atmospheric resources     | <u>822,365,166</u> | <u>297,035,052</u> | <u>1,119,400,218</u> |
| Total all funds                     | \$827,407,605      | \$297,528,231      | \$1,124,935,836      |
| Full-time equivalent positions      | 90.00              | 7.00               | 97.00"               |

Page 2, after line 13, insert:

**"SECTION 4. SOVEREIGN LANDS RECREATION USE GRANT.** The water and atmospheric resources line item in section 1 of this Act includes \$1,000,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on

sovereign lands in the state, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 2, line 14, after "**APPROPRIATION**" insert "- **BUDGET SECTION APPROVAL**"

Page 2, line 17, after "appropriated" insert ", subject to budget section approval,"

Page 2, after line 25, insert:

**"SECTION 7. BANK OF NORTH DAKOTA LOAN - BOND PAYMENTS.** The state water commission shall obtain a loan from the Bank of North Dakota in an amount that may not exceed \$56,000,000 for the purpose of paying off or defeasing outstanding bond issues, for the period beginning with the effective date of this Act, and ending June 30, 2017."

Page 2, remove lines 26 through 30

Page 3, remove lines 1 through 14

Page 3, after line 27, insert:

**"SECTION 9. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING.** It is the intent of the sixty-fourth legislative assembly that the state provide one-half of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$570,000,000. It is the intent of the sixty-fourth legislative assembly that \$120,000,000 of the \$570,000,000, be used for Fargo interior flood control projects and that any funds spent for Fargo interior flood control projects after July 1, 2017, require 50 percent matching funds from the Fargo flood authority. It is the intent of the sixty-fourth legislative assembly that the \$266,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums. It is the intent of the sixty-fourth legislative assembly that funding for the Fargo flood control project will end June 30, 2021, if a federal appropriation for project construction has not been provided by June 30, 2021.

**SECTION 10. FARGO INTERIOR FLOOD CONTROL - FUNDING REQUIREMENTS.** The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

**SECTION 11. APPROPRIATION - FARGO INTERIOR FLOOD CONTROL - STATE DISASTER RELIEF FUND - FUNDING REQUIREMENTS.** There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$30,000,000, or so much of the sum as may be necessary, for the purpose of providing funding for flood protection projects within city limits of Fargo, for the period beginning with the effective date of this Act, and ending June 30, 2017. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes

until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

#### **SECTION 12. FARGO INTERIOR FLOOD CONTROL PROJECT FUNDING**

**- EXEMPTION.** Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$30,000,000 is for Fargo interior flood control projects, for the period beginning with the effective date of this Act, and ending June 30, 2017. Any funds not spent by June 30, 2017, are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo interior flood control projects. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project."

Page 3, remove lines 28 through 31

Page 4, replace lines 1 through 6 with:

**"SECTION 13. LEGISLATIVE INTENT - GRAND FORKS WATER TREATMENT PLANT PROJECT FUNDING.** It is the intent of the sixty-fourth legislative assembly that the state provide grants for one-half of the cost to construct the Grand Forks water treatment plant project and provide a \$30,000,000 grant for the project during the 2015-17 biennium and a \$30,000,000 grant for the project during the 2017-19 biennium.

**SECTION 14. RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - REPORT TO WATER TOPICS OVERVIEW COMMITTEE.** The 2013-15 unobligated funding of \$7,359,000 designated by the state water commission for the Red River valley water supply project in the water and atmospheric resources line item in section 1 of this Act and an additional \$5,000,000 in the water and atmospheric resources line item in section 1 of this Act is designated for a grant to the Garrison diversion conservancy district to plan and design the Red River valley water supply project for the biennium beginning July 1, 2015, and ending June 30, 2017. The state water commission shall transfer funds upon request of the Garrison diversion conservancy district. The Garrison diversion conservancy district shall report on a regular basis to the legislative management's water topics overview committee to review its progress in planning and designing the Red River valley water supply project.

**SECTION 15. APPROPRIATION - MISSOURI RIVER CORRECTIONAL CENTER LEVEE - FOX ISLAND LEVEE - STATE DISASTER RELIEF FUND.** There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$4,000,000, or so much of the sum as may be necessary, to the state water commission, for the purpose of providing funding for levee projects for the biennium beginning July 1, 2015, and ending June 30, 2017. Of the funds the state water commission shall make available \$1,200,000 for a levee for the Missouri River correctional center, and \$2,800,000, for a levee for Lincoln township's Fox Island area.

**SECTION 16. FUNDING DESIGNATION - REIMBURSEMENTS FOR 2013-15 BIENNIUM RURAL AND MUNICIPAL WATER SYSTEMS AFFECTED BY LOCAL COST-SHARE CHANGE.** Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, the state water commission shall make available \$11,000,000 from funds available from the line of credit for reimbursing rural and municipal water systems affected by local cost-share changes during the 2013-15 biennium. Rural and municipal water systems must be

reimbursed up to an amount, which makes the state share 65 percent in lieu of the 75 percent that was approved by the state water commission.

#### **SECTION 17. STATE WATER COMMISSION PROJECT FUNDING**

**DESIGNATIONS.** Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act from funds available in the resources trust fund, water development trust fund, and the line of credit available from the Bank of North Dakota, \$399,000,000 is designated as follows:

1. \$108,000,000 for flood control projects;
2. \$51,000,000 for general water projects;
  - a. \$40,000,000 is available for providing grants;
  - b. \$11,000,000 from the infrastructure revolving loan fund is available for providing loans;
3. \$130,000,000 for rural water projects;
4. \$85,000,000 for municipal water projects;
5. \$25,000,000 for providing loans from the infrastructure revolving loan fund for rural and municipal water projects.

#### **SECTION 18. FUNDING DESIGNATIONS - TRANSFERS - BUDGET**

**SECTION APPROVAL.** The funding designated for the items in section 17 of this Act, is designated for the specific purposes identified; however, the state water commission may transfer funding among these items, upon notification to the water topics overview committee and subject to budget section approval.

#### **SECTION 19. CONTINGENT ALLOCATION - WATER AND**

**ATMOSPHERIC RESOURCES - CENTRAL DAKOTA WATER SUPPLY STUDY.** Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$70,000,000, is designated as follows, contingent on the state water commission entering into a written agreement that a fertilizer or chemical processing facility will be constructed in Stutsman County:

1. \$10,000,000 for a grant and \$40,000,000 for a loan for a water reuse facility;
2. \$20,000,000 for the central Dakota water supply project.

The state water commission shall conduct a study on the feasibility and desirability of the central Dakota water supply project for the biennium beginning July 1, 2015, and ending June 30, 2017. The study must include a cost-benefit analysis as well as a detailed business plan for the project, including projected operational costs and projected water supply needs for the area to be served.

#### **SECTION 20. STUTSMAN COUNTY WATER REUSE FACILITY -**

**EXEMPTION.** For purposes of a project for a water reuse facility, the Stutsman rural water district is granted an exemption from the aggregate total outstanding limit of \$50,000,000 of revenue bonds under section 61-35-15 and is instead limited to an aggregate total outstanding limit of \$100,000,000 of revenue bonds for purposes of section 61-35-15.

#### **SECTION 21. STUTSMAN COUNTY WATER REUSE FACILITY PROJECT**

**- USER BONDING.** Any agreement entered into by the state water commission relating to the Stutsman County water reuse facility project must include requirements that the users of the water reuse facility have entered into contracts, which may include use contracts or credit support arrangements, with the Stutsman rural water district pursuant to which the expected revenues from these contracts over the term of the contracts are sufficient to repay the total balance of the loans or revenue bonds authorized by the sixty-fourth legislative assembly for the Stutsman County water reuse facility.

**SECTION 22. LEGISLATIVE MANAGEMENT STUDY - WATER SUPPLY FOR CENTRAL AND EASTERN NORTH DAKOTA.** During the 2015-16 interim, the legislative management shall study options available for providing a sustainable water supply to central and eastern North Dakota. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 23. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT.** It is the intent of the sixty-fourth legislative assembly that the state, beginning on July 1, 2017, and extending over the next four bienniums, provide \$150,000,000 per biennium of state funds to implement the selected alternative for the Red River valley water supply project.

**SECTION 24. WESTERN AREA WATER SUPPLY AUTHORITY MEMBER ENTITIES - DEBT.** A western area water supply authority member entity may incur debt as authorized by law, except that an entity may not use any income from industrial water sales relating to oil and gas exploration or production to repay any debt or as collateral to secure debt beginning January 1, 2015. Previous debt accrued by the western area water supply may be serviced by the western area water supply revenues from industrial water sales."

Page 4, line 18, replace "budget section" with "legislative management's water topics overview committee"

Page 4, after line 20, insert:

**"SECTION 27. INDEPENDENT WATER PROVIDERS AND WESTERN AREA WATER SUPPLY AUTHORITY - REPORT TO THE WATER TOPICS OVERVIEW COMMITTEE.** During the 2015-16 interim, the independent water providers and the western area water supply authority shall report to the legislative management's water topics overview committee on a regular basis and collaborate with the committee and the state water commission to monitor water usage, rates, engineering contract procedures, and market share. The water topics overview committee shall report to the legislative management with recommendations to ensure western area water supply authority's ability to maintain its payment schedule of the state's loan.

**SECTION 28. REPORT TO LEGISLATIVE ASSEMBLY - SOUTHWEST PIPELINE PROJECT.** The state water commission and the southwest water authority shall continue the process of reviewing capital repayment and revenues being returned to the resources trust fund; payments necessary to meet obligations of existing bonds and other loans; ownership of land and associated facilities; existing construction documents; liabilities; contracts with cities, bulk users, companies, and other users; and other items; and shall report to the sixty-fifth legislative assembly on the actions necessary for the transfer of ownership and responsibility of the southwest pipeline project from the state water commission to the southwest water authority."

Page 4, line 27, after "must" insert "be completed by September 1, 2016, and must"

Page 4, line 28, remove "The impacts in the area outside the area recognized by the United States army corps"

Page 4, replace lines 29 through 31 with "The area determined by hydrology modeling to be affected by project conditions in excess of six inches, and outside the area recognized by the army corps of engineers for which mitigation is required upstream of the proposed dam, which is consistent with current floodplain designation by the federal emergency management agency for the studied flood event."

Page 5, line 1, replace "Agricultural production income impacts due to operation of the diversion project." with "The impacts on agricultural production income due to operation of the diversion project."

Page 5, replace lines 2 and 3 with:



**"SECTION 30. BONDING AUTHORITY - BUDGET SECTION APPROVAL.**

The state water commission shall request budget section approval prior to issuing any revenue bonds during the biennium beginning July 1, 2015 and ending June 30, 2017."

Page 5, line 12, after "develop" insert "and review"

Page 5, line 12, after "policies" insert "and update as necessary"

Page 5, after line 26, insert:

**"SECTION 32.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

**Bank of North Dakota - Line of credit.**

The Bank of North Dakota shall extend a line of credit not to exceed two hundred million dollars at a rate that may not exceed one and three-quarters percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for water supply projects in suspense, water supply projects identified in section 19 of this Act and water supply projects approved before June 30, 2017, and flood control projects that have approval for funding before June 30, 2017.

**SECTION 33.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

**State water commission cost-share policy.**

The state water commission shall adopt a cost-share policy for the financing of water projects. The policy:

1. Must provide a water supply project is eligible for grants up to seventy-five percent of the total eligible project costs.
2. May not determine program eligibility of water supply projects based on a population growth factor. However, a population growth factor may be used in prioritizing projects for that purpose.
3. Must consider all project costs potentially eligible for reimbursement, except the commission may exclude operations expense and regular maintenance. The commission shall require a water project sponsor to maintain a capital improvement fund from the rates charged customers for future extraordinary maintenance projects as condition of funding an extraordinary maintenance project.
4. May not determine program eligibility of water supply projects based on affordability. However, affordability may be used in prioritizing projects for that purpose.

**SECTION 34.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

**North Dakota outdoor heritage fund grants - Effect on local cost-share.**

For projects involving the repair of an existing flood control or recreation structure, the state water commission may not deduct North Dakota outdoor heritage fund moneys provided from the cost of the project before determining the local cost-share. The state water commission shall include those provided moneys as part of the local cost-share, however, the local entity may not receive funding in excess of the total project cost."

Page 5, replace line 27 with:

**"SECTION 35. EMERGENCY.** Sections 1, 7, 12, and 17 of this Act are declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2020 - State Water Commission - Conference Committee Action

|                                     | Base<br>Budget | Senate<br>Version | Conference<br>Committee<br>Changes | Conference<br>Committee<br>Version | House<br>Version | Comparison<br>to House |
|-------------------------------------|----------------|-------------------|------------------------------------|------------------------------------|------------------|------------------------|
| Administrative and support services | \$4,716,665    | \$4,507,674       | \$1,027,944                        | \$5,535,618                        | \$5,535,618      |                        |
| Water and atmospheric resources     | 822,365,166    | 989,218,748       | 130,181,470                        | 1,119,400,218                      | 1,119,199,763    | 200,455                |
| Accrued leave payments              | 325,774        |                   |                                    |                                    |                  |                        |
| Fargo interior flood protection     |                |                   | 30,000,000                         | 30,000,000                         | 30,000,000       |                        |
| Levees in Burleigh County           |                |                   | 4,000,000                          | 4,000,000                          | 5,000,000        | (1,000,000)            |
| Total all funds                     | \$827,407,605  | \$993,726,422     | \$165,209,414                      | \$1,158,935,836                    | \$1,159,735,381  | (\$799,545)            |
| Less estimated income               | 827,407,605    | 968,741,263       | 190,194,573                        | 1,158,935,836                      | 1,159,735,381    | (799,545)              |
| General fund                        | \$0            | \$24,985,159      | (\$24,985,159)                     | \$0                                | \$0              | \$0                    |
| FTE                                 | 90.00          | 98.00             | (1.00)                             | 97.00                              | 96.00            | 1.00                   |

#### Department No. 770 - State Water Commission - Detail of Conference Committee Changes

|                                     | Changes<br>Funding Source<br>for<br>Administrative<br>Costs <sup>1</sup> | Adds Funding<br>for Costs<br>Associated with<br>Funding Source<br>Change <sup>2</sup> | Adjusts<br>Funding for<br>Health<br>Insurance<br>Premium<br>Increases <sup>3</sup> | Removes<br>Funding for<br>New Water<br>Permitting<br>Position <sup>4</sup> | Adds Funding<br>From a Line of<br>Credit for Water<br>Projects <sup>5</sup> | Adds Funding<br>From Bank of<br>North Dakota<br>Bond<br>Refinancing<br>Loan <sup>6</sup> |
|-------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Administrative and support services |                                                                          | \$1,038,000                                                                           | (\$10,056)                                                                         |                                                                            |                                                                             |                                                                                          |
| Water and atmospheric resources     |                                                                          |                                                                                       | (70,851)                                                                           | (218,640)                                                                  | 200,000,000                                                                 | 56,000,000                                                                               |
| Accrued leave payments              |                                                                          |                                                                                       |                                                                                    |                                                                            |                                                                             |                                                                                          |
| Fargo interior flood protection     |                                                                          |                                                                                       |                                                                                    |                                                                            |                                                                             |                                                                                          |
| Levees in Burleigh County           |                                                                          |                                                                                       |                                                                                    |                                                                            |                                                                             |                                                                                          |
| Total all funds                     | \$0                                                                      | \$1,038,000                                                                           | (\$80,907)                                                                         | (\$218,640)                                                                | \$200,000,000                                                               | \$56,000,000                                                                             |
| Less estimated income               | 24,985,159                                                               | 1,038,000                                                                             | (80,907)                                                                           | (218,640)                                                                  | 200,000,000                                                                 | 56,000,000                                                                               |
| General fund                        | (\$24,985,159)                                                           | \$0                                                                                   | \$0                                                                                | \$0                                                                        | \$0                                                                         | \$0                                                                                      |
| FTE                                 | 0.00                                                                     | 0.00                                                                                  | 0.00                                                                               | (1.00)                                                                     | 0.00                                                                        | 0.00                                                                                     |

|                                     | Adds Funding<br>for 2015-17<br>Biennium<br>Payment on<br>Refinanced<br>Bonds <sup>7</sup> | Removes<br>Carryover<br>Funding for<br>Water Projects <sup>8</sup> | Adjusts Water<br>Projects<br>Funding <sup>9</sup> | Adds One-Time<br>Funding for<br>Fargo Interior<br>Flood<br>Protection <sup>10</sup> | Adds One-Time<br>Funding for<br>Levees <sup>11</sup> | Total<br>Conference<br>Committee<br>Changes |
|-------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------|
| Administrative and support services |                                                                                           |                                                                    |                                                   |                                                                                     |                                                      | \$1,027,944                                 |
| Water and atmospheric resources     | 7,000,000                                                                                 | (16,529,039)                                                       | (116,000,000)                                     |                                                                                     |                                                      | 130,181,470                                 |
| Accrued leave payments              |                                                                                           |                                                                    |                                                   | 30,000,000                                                                          |                                                      | 30,000,000                                  |
| Fargo interior flood protection     |                                                                                           |                                                                    |                                                   |                                                                                     | 4,000,000                                            | 4,000,000                                   |
| Levees in Burleigh County           |                                                                                           |                                                                    |                                                   |                                                                                     |                                                      |                                             |
| Total all funds                     | \$7,000,000                                                                               | (\$16,529,039)                                                     | (\$116,000,000)                                   | \$30,000,000                                                                        | \$4,000,000                                          | \$165,209,414                               |
| Less estimated income               | 7,000,000                                                                                 | (16,529,039)                                                       | (116,000,000)                                     | 30,000,000                                                                          | 4,000,000                                            | 190,194,573                                 |
| General fund                        | \$0                                                                                       | \$0                                                                | \$0                                               | \$0                                                                                 | \$0                                                  | (\$24,985,159)                              |
| FTE                                 | 0.00                                                                                      | 0.00                                                               | 0.00                                              | 0.00                                                                                | 0.00                                                 | (1.00)                                      |

<sup>1</sup> The funding source for administrative, salaries and benefits, and operating costs is changed from the general fund to the resources trust fund, the same as the House version.

<sup>2</sup> The funding below is added for additional base level operating costs as a result of being a special funded agency, the same as the House version.

|                           | General Fund | Other Funds | Total       |
|---------------------------|--------------|-------------|-------------|
| Rent                      |              | \$315,000   | \$315,000   |
| Statewide cost allocation |              | 235,000     | 235,000     |
| Legal fees                |              | 488,000     | 488,000     |
| Total                     | \$0          | \$1,038,000 | \$1,038,000 |

<sup>3</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>4</sup> Funding is removed for a new water permitting FTE position (\$210,184) and related salary increase (\$8,456), the same as the House version.

<sup>5</sup> Funding from a \$200 million line of credit from the Bank of North Dakota is added for water projects. The House added the line of credit funding, but also designated the funding for certain types of projects.

<sup>6</sup> Funding is added from loan proceeds from the Bank of North Dakota to pay off or defease the remaining outstanding bond issues of the State Water Commission, the same as the House version.

<sup>7</sup> Funding is added from the water development trust fund for repayment to the Bank of North Dakota, relating to the loan to refinance the existing outstanding bonds of the State Water Commission, the same as the House version.

<sup>8</sup> Carryover funding from the resources trust fund is removed for the following projects, the House also removed this funding:

|                                     | General Fund | Other Funds    | Total          |
|-------------------------------------|--------------|----------------|----------------|
| Devils Lake gravity outflow channel |              | (\$13,686,839) | (\$13,686,839) |
| Rice Lake recreation district       |              | (2,842,200)    | (2,842,200)    |
| Total                               | \$0          | (\$16,529,039) | (\$16,529,039) |

<sup>9</sup> Water projects funding is adjusted to provide a total of \$381 million for new water projects in the 2015-17 biennium from the resources trust fund and water development trust fund, the same as the House version.

<sup>10</sup> A section is added to the bill to provide one-time funding from the state disaster relief fund for the Fargo interior flood protection project, the same as the House version.

<sup>11</sup> One-time funding from the state disaster relief fund of \$1.2 million for the Missouri River Correctional Center levee and \$2.8 million for the Fox Island levee. The conference committee adjusted funding from the state disaster relief fund for levees in Burleigh County as follows:

|                                          | General Fund | Other Funds | Total       |
|------------------------------------------|--------------|-------------|-------------|
| Missouri River Correctional Center levee |              | \$1,200,000 | \$1,200,000 |
| Fox Island levee                         |              | 2,800,000   | 2,800,000   |
| Total                                    | \$0          | \$4,000,000 | \$4,000,000 |

This amendment also:

- Adds a section requiring the State Water Commission to obtain a loan from the Bank of North Dakota to pay off or defease the commission's outstanding bond issues, the same as the House version.
- Amends Section 10 to provide it is the intent of the Legislative Assembly to provide \$570 million for Fargo flood control projects, of which \$120 million is for Fargo interior flood control projects which require a 50 percent match beginning in July

2017, and funding yet to be designated will be made available over the next five bienniums. The Senate and House version provided additional funding over the next three bienniums.

- Adds a section designating funding from the water and atmospheric resources line item in Section 1 for the Garrison Diversion Conservancy District to plan and design the Red River Valley Water Supply Project, similar to the House version.
- Adds a section providing a contingent allocation from the water and atmospheric resources line item in Section 1 for various projects and requires the State Water Commission to conduct a study of the Central Dakota water supply project, the conference committee combined two sections of the House version.
- Adds a section increasing Stutsman Rural Water District's aggregated total outstanding revenue bond limit from \$50 million to \$100 million, the same as the House version.
- Adds a section requiring any agreement entered into by the State Water Commission relating to the Stutsman County water reuse facility project must include requirements that the users of the water reuse facility have entered into contracts, which may include use contracts or credit support arrangements with the Stutsman Rural Water District pursuant to which the expected revenues from these contracts over the term of the contracts are sufficient to repay the total balance of the loans or revenue bonds authorized by the 64th Legislative Assembly for the Stutsman County water reuse facility. This was not included in the Senate version and the House version required bonding equal only to a users proportionate share.
- Adds a Legislative Management study of the options available for providing a sustainable water supply to central and eastern North Dakota, the same as the House version.
- Adds a section of legislative intent to provide \$150 million per biennium beginning on July 1, 2017, and extending over the next four bienniums for the implementation of the Red River Valley Water Supply Project that results from the Legislative Management study. The House added the section, but the conference committee clarified the beginning date of July 1, 2017.
- Removes Section 14 relating to incremental funding for the Western Area Water Supply Authority, the same as the House version.
- Adds a section restricting Western Area Water Supply Authority member entities from using industrial water sales relating to oil and gas exploration or production to repay debt or as collateral to secure debt, similar to the House version.
- Adds a section requiring independent water providers and the Western Area Water Supply Authority to report to the Legislative Management's Water Topics Overview Committee, the same as the House version.
- Adds a section requiring Southwest Pipeline Authority to report to the 65th Legislative Assembly, the same as the House version.
- Amends a section related to a State Water Commission study of the Fargo diversion project, the same as the House version.
- Creates a new section to North Dakota Century Code Chapter 61-02 relating to a Bank of North Dakota line of credit for the State Water Commission. This was not included in the Senate version and the House version specifically identified projects.
- Creates a new section to Chapter 61-02 relating to State Water Commission cost-share policy, similar to the House version.
- Creates a new section to Chapter 61-02 relating to North Dakota outdoor heritage fund grants and their effect on local cost-share, the same as the House version.
- Removes the repeal of Section 61-02-78 related to the infrastructure revolving loan fund, the same as the House version.
- Amends a section related to the appropriation of additional income in the resources trust fund and the water development trust fund to require Budget Section approval, the same as the House version.
- Amends a section related to Fargo flood control reports to provide the MNDak Upstream Coalition report to the Legislative Management's Water Topics Overview Committee, the same as the House version.
- Adds an emergency clause. The House also added an emergency clause.
- Adds a section providing a \$1 million sovereign lands recreation use grant to the

Parks and Recreation Department, same as the House version.

- Adds a section providing a \$4 million appropriation from the state disaster relief fund for levee projects in Burleigh County. The Senate version did not include this and the House version provided \$5 million from the state disaster relief fund.
- A section designating \$11 million of the line of credit for reimbursing rural and municipal water systems for the 2013-15 cost-share changes. The Senate version did not include this section and the House version also provided \$11 million for reimbursing rural and municipal water systems.
- A section designating funding for selected purposes. The Senate version did not include this section and the House version provided funding for selected projects.
- A section authorizing the transfer of funds among selected designated projects, subject to Budget Section approval, similar to the House version.
- The conference committee did not include the following sections added in the House version:
  - A section of legislative intent relating to the lower Heart River Morton County flood control project.
  - A section designating the use of \$9.7 million of State Water Commission carryover funding for flood control projects in areas that pose an imminent threat to loss of life and property.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2206, as engrossed:** Your conference committee (Sens. Dever, J. Lee, Warner and Reps. Weisz, Hofstad, Muscha) recommends that the **HOUSE RECEDE** from the House amendments, adopt amendments as follows, and place SB 2206 on the Seventh order:

That the House recede from its amendments as printed on page 1504 of the Senate Journal and pages 1311-1313 and pages 1658 and 1659 of the House Journal and that Engrossed Senate Bill No. 2206 be amended as follows:

Page 1, line 4, after "50-24.1-14" insert ", subsection 3 of section 57-15-01.1, and subsection 34 of section 57-15-06.7"

Page 1, line 6, after "expense" insert "and reduction of county property tax levy authority for social service board budgets to reflect county savings from programs funded at state expense"

Page 1, line 9, replace "establish a social services financing commission" with "provide for a legislative management study"

Page 1, line 9, remove "to provide an"

Page 1, line 10, remove "expiration date;"

Page 1, line 22, remove "beginning"

Page 1, line 23, replace "and continuing for succeeding years must identify" with "may not exceed an amount determined using the departmental budget submitted in 2014 by the county social service board as a starting point, subtracting"

Page 1, line 24, after "responsibility" insert "for 2014"

Page 2, line 2, after "services" insert ", and applying to the resulting amount the percentage salary and benefits increase provided by legislative appropriations for state employees for taxable year 2015. For purposes of this subdivision, the reduction in the county's social service funding responsibility derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services includes the following"

Page 2, line 3, replace "incurred" with "that would have been paid"

Page 2, line 7, replace "incurred" with "which would have been paid by the county"

Page 2, line 9, replace "incurred" with "which would have been paid by the county"

Page 2, line 11, replace "incurred" with "which would have been paid by the county"

Page 2, line 13, replace "incurred" with "which would have been paid by the county"

Page 2, line 15, replace "incurred" with "which would have been paid by the county"

Page 2, line 20, after "b." insert "The departmental budget submitted by the county social service board in 2016 for the 2017 budget may not exceed an amount determined using the 2015 departmental budget as a starting point and applying to that amount the percentage salary and benefits increase provided by legislative appropriations for state employees for 2016."

c."

Page 2, line 21, after "paid" insert "by the county"

Page 2, line 22, after the first "department" insert "of human services"

Page 2, line 22, after the second "department" insert "of human services"

Page 2, line 24, remove "The amount reported must equal the"

Page 2, replace lines 25 through 31 with:

"The county share of the human service budget must be funded entirely from the county's property tax levy for that purpose and the county may not use funds from any other source to supplement the human services budget, with the exception that the county may make use of the identifiable amount of other sources the county has used to supplement its human services budget for 2015 and the county may use grant funds that may be available to the county under section 50-06-20.1.

- d. The department of human services shall develop a process to review a request from a county social service board for any proposed increase in staff needed as a result of significantly increased caseloads for state-funded human services programs, if the increase in staff would result in the county exceeding the budget limitation established under this subsection. As part of its review process, the department shall review countywide caseload information and consider the option of multicounty sharing of staff. If the department approves a request for a proposed increase in staff, the county budget limitation established under subdivision b may be increased by the amount determined necessary by the department to fund the approved additional staff."

Page 7, after line 6, insert:

**"SECTION 9. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
  - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and

property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.

- b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
- c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
- d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
  - (1) The base year mill rate of the school district minus sixty mills; or
  - (2) Fifty mills.
- e. If the base year is a taxable year before 2016, the base year human services county levy in dollars must be reduced to the amount of the county social service board budget levy for the budget year as determined under section 11-23-01.

**SECTION 10. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

- 34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of mills determined by dividing the county budget limitation in dollars as determined under section 11-23-01 by the taxable valuation of the county."

Page 7, remove lines 9 through 31

Page 8, replace lines 1 through 14 with:

**"SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SOCIAL SERVICES FINANCE PROGRAM TRANSITION.**

- 1. During the 2015-16 interim, the legislative management shall conduct a study to develop a proposed transition plan for transferring the costs of operating social services programs from county property tax levies to state general fund appropriations.
- 2. If a county social services finance working group is established, upon request of the legislative management the working group shall report its progress and findings. The membership of the working group may include:
  - a. The director of the department of human services or the director's designee;
  - b. The chief financial officer of the department of humans services;

- c. Two members representing elected county officials identified in section 11-10-02 as selected by the North Dakota association of counties;
  - d. The tax commissioner or the commissioner's designee;
  - e. The director of the office of management and budget or the director's designee;
  - f. Two county social services directors selected by the North Dakota county social services directors association; and
  - g. One member representing the North Dakota association of counties.
3. Under this section, a proposed transition plan must include a timeline for the major milestones of the transition plan, considerations for the transition, estimated costs, a plan to require a property tax reduction for the amount of the budgeted savings brought about by the transfer of county social services costs to the state, a plan resulting in the elimination of the county social services levy under section 50-06.2-05, and potential legislation to implement recommended changes. The study must include consideration of the feasibility of implementing the proposed transition plan.
  4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 8, line 15, remove "2, 3, 4, 5, 7, 8, and"

Page 8, line 15, after "9" insert ", and 10 of this Act become effective on August 1, 2015. Sections 2, 3, 4, 5, 7, 8, and 11 of this Act"

Page 8, remove lines 17 and 18

Renumber accordingly

Engrossed SB 2206 was placed on the Seventh order of business on the calendar.

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

**HB 1059, as reengrossed:** Your conference committee (Sens. Cook, Bekkedahl, Triplett and Reps. Headland, Owens, Haak) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1735-1742, adopt amendments as follows, and place HB 1059 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1735-1742 of the House Journal and pages 1487-1494 of the Senate Journal and that Reengrossed House Bill No. 1059 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit, rural fire protection district increased levy approval,"

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

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:



**11-10.1-01. County director of tax equalization.**

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in~~ subsection 1 certification as a class I assessor, if the board deems ~~such person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and experience, and willingness to obtain certification as a class I assessor.~~ The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

**SECTION 2. AMENDMENT.** Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.**

1. The county director of tax equalization ~~shall have~~ has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~ assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, ~~the changes in assessment laws and regulations~~ rules, the determination of proper standards of value, ~~the use of proper classifications of property, determination of what property qualifies as exempt from property taxes,~~ and the authority to require attendance at meetings, ~~to the end that a~~ promote uniform assessment of all real property in the county ~~will prevail.~~
2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.
- 2-3. ~~On January 1, 1981, the~~ The county director of tax equalization shall ~~succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized~~

~~districts supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ an retains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

- ~~3.4.~~ Any city or township ~~which that~~ does not employ its own ~~retain a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.~~
- ~~4.5.~~ Any assessment made by an assessor who is not ~~currently~~ certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified county director of tax equalization, or a certified city assessor of a city with a population of five thousand or more ~~assessor~~, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

**SECTION 3. AMENDMENT.** Section 18-10-07 of the North Dakota Century Code as amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

**18-10-07. Fire protection policy to be determined - Tax levy.**

The board of directors shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. The annual estimate of probable expense may include an amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year, who shall levy a tax upon the taxable property within the district for the maintenance of the fire protection district for the fiscal year as provided by law. The tax may not exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except upon resolution adopted by the board of directors and approval by a majority of the qualified electors voting on the question at an annual or special meeting of electors called by the board of directors, the levy may be made in an amount not exceeding

thirteen mills. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax\_rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy.

After July 31, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. Additional levy authority authorized by the board of directors after petition of electors before August 1, 2015, remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by the electors but not exceeding five ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the rural fire protection district, who shall have a surety bond in the amount of at least five thousand dollars.
3. Placed to the credit of the rural fire protection district so authorizing the same by its secretary-treasurer in a state or national bank, except amounts to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles may be invested to earn the maximum return available.
4. Paid out upon warrants drawn upon the fund by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president of the rural fire protection district.

The amount of tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense, including the amount of principal and interest upon the indebtedness of the district for the ensuing year and including any amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles.

**SECTION 4. AMENDMENT.** Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-01-05. State supervisor of assessments.**

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give the various assessors in the state the necessary instructions and directions as to their duties under the laws of this state, to the end that a promote uniform assessment of all real and personal property in this state will be attained.
2. The state supervisor of assessments shall assist and instruct the various assessors in this state in the use of soil reconnaissance surveys, land classification methods, in the preparation and proper use of land maps and record cards, in the proper classification of real and personal property, and in the determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the various counties and cities of this state for the purpose of to properly advise the various assessors and directors of tax equalization in the state and for the purpose of recommending to recommend to the tax commissioner changes to be made by the state board of equalization in the performance of their equalization powers and duties prescribed for it by section 57-13-04. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, as the case may be, are responsible for compiling shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.
5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the

state supervisor of assessments under ~~chapter 11-10.1~~section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~law pertaining to assessments, or any rules ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.

- a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
  - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
  - c. The tax commissioner may restore a certificate after suspension or revocation.
  - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
  9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
  10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

**SECTION 5.** Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

**57-02-01.1. Certification of assessors.**

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:
  - a. Have a high school diploma or its equivalent.
  - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
    - (1) Tax administration.
    - (2) Principles and theory of value.
    - (3) Residential property appraisal.
    - (4) Commercial property appraisal.

- (5) Agricultural property valuation.
- 2. To be certified as a class II assessor, an individual must:
  - a. Have a high school diploma or its equivalent.
  - b. Successfully complete eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
    - (1) Tax administration.
    - (2) Principles and theory of value.
    - (3) Residential property appraisal.
    - (4) Commercial property appraisal.
    - (5) Agricultural property valuation.
- 3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
- 4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
- 5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
- 6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.
- 7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
- 8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
- 9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
- 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

**SECTION 6. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
  - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~fivesix~~ hundred twenty-five dollars of taxable valuation.
  - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
  - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred seventy-five dollars of taxable valuation.
  - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred fifty dollars of taxable valuation.
  - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand one hundred twenty-five dollars of taxable valuation.
  - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred ~~fifty~~sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.

- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

**SECTION 7. AMENDMENT.** Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-33. Assessor ~~district~~services for unorganized territory.**

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissioners~~assessed by a certified assessor under the supervision and direction of the county director of tax equalization.~~ The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, ~~the~~The county director of tax equalization for such county is eligible for appointment to a district assessor position~~may serve as an assessor of property under this section.~~ Every individual performing assessor of territory not organized into civil townships shall receive ~~asservices~~ under this section is entitled to compensation for services a- ~~sum and mileage and travel expenses~~ sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of the district~~property.~~ The compensation ~~and expenses~~ must be paid from the treasury of the county in which such districtthe assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."

Page 5, after line 27, insert:

**"SECTION 11. TRANSITION.** The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Page 5, line 29, after "2014" insert ", except section 6, which is effective for taxable years beginning after December 31, 2015."



Renumber accordingly

Reengrossed HB 1059 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Reengrossed HB 1059 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1059, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1059:** A BILL for an Act to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors; to amend and reenact sections 11-10.1-01, 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33, 57-06-17.3, 57-20-07.2, and 57-33.2-02 of the North Dakota Century Code, relating to training and certification of assessors, the homestead tax credit, rural fire protection district increased levy approval, a new transmission line property tax exemption, a state-paid property tax relief credit, and the transmission line mile tax rate; to provide for transition; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 39 YEAS, 8 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Armstrong; Axness; Bekkedahl; Burckhard; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Grabinger; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner

**NAYS:** Anderson; Bowman; Campbell; Dotzenrod; Heckaman; Marcellais; Miller; Warner

Reengrossed HB 1059, as amended, passed.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. G. LEE MOVED** that the conference committee report on Engrossed SB 2020 as printed on SJ pages 1732-1733 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2020, as amended, was placed on the Eleventh order of business.

**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 provide exemptions; to create and enact three new sections to chapter 61-02 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit, to the state water commission cost-share policy, and to North Dakota outdoor heritage fund grants and cost-share; to amend and reenact section 54-35-02.7 of the North Dakota Century Code, relating to the water topics overview committee; to provide legislative intent; to designate funding; to provide contingent allocations; to provide for a report to the legislative assembly; to provide for legislative management reports; to provide for a legislative management study; to provide for a state water commission study; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Anderson; Hogue

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

\*\*\*\*\*

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

**SEN. DEVER MOVED** that the conference committee report on Engrossed SB 2206 as printed on SJ pages 1734-1737 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2206, as amended, was placed on the Eleventh order of business.

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

**SB 2206:** A BILL for an Act to create and enact sections 50-06-05.8 and 50-06-20.1 of the North Dakota Century Code, relating to the department of human services assuming certain costs of certain social service programs and to the establishment of a human services grant program; to amend and reenact sections 11-23-01, 50-01.2-00.1, 50-03-08, 50-06-20, 50-09-27, and 50-24.1-14, subsection 3 of section 57-15-01.1, and subsection 34 of section 57-15-06.7 of the North Dakota Century Code, relating to county social service board budgets and programs funded at state expense and reduction of county property tax levy authority for social service board budgets to reflect county savings from programs funded at state expense; to repeal sections 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North Dakota Century Code, relating to the county's share of medical assistance for therapeutic foster care, service payments to the elderly and disabled, and the county share of foster care costs; to provide for a legislative management study; to provide an effective date; and to declare an emergency.

#### **ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2206 passed and the emergency clause was declared carried.

\*\*\*\*\*

#### **MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 8:00 p.m., which motion prevailed.

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

#### **MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1059.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2206.

#### **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 1011.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1013.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2008, SB 2019.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause failed to pass: HB 1018.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2012, SB 2143.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1004, HB 1015, HB 1476.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2012, SB 2143.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2006, SB 2023, SB 2178, SB 2340.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 27, 2015: SB 2006, SB 2023, SB 2178, SB 2340.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1011, as engrossed:** Your conference committee (Sens. Wanzek, Krebsbach, O'Connell and Reps. Vigasaa, Kempenich, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1497-1498, adopt amendments as follows, and place HB 1011 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1497 and 1498 of the House Journal and pages 1289 and 1290 of the Senate Journal and that Engrossed House Bill No. 1011 be amended as follows:

Page 1, replace lines 12 through 19 with:

|                                  |                   |                    |                   |
|----------------------------------|-------------------|--------------------|-------------------|
| "Administration                  | \$3,466,113       | \$264,288          | \$3,730,401       |
| Field operations                 | 48,596,777        | 7,311,926          | 55,908,703        |
| Law enforcement training academy | 1,682,043         | (1,602,043)        | 80,000            |
| Accrued leave payments           | <u>1,110,651</u>  | <u>(1,110,651)</u> | <u>0</u>          |
| Total all funds                  | \$54,855,584      | \$4,863,520        | \$59,719,104      |
| Less estimated income            | <u>12,594,542</u> | <u>467,999</u>     | <u>13,062,541</u> |
| Total general fund               | \$42,261,042      | \$4,395,521        | \$46,656,563      |
| Full-time equivalent positions   | 213.00            | 2.00               | 215.00"           |

Page 2, after line 4, insert:

|                            |   |         |
|----------------------------|---|---------|
| "New trooper startup costs | 0 | 85,000" |
|----------------------------|---|---------|

Page 2, replace lines 11 through 13 with:

|                    |                |                |
|--------------------|----------------|----------------|
| "Total all funds   | \$6,145,000    | \$857,000      |
| Total special fund | <u>798,000</u> | <u>107,050</u> |
| Total general fund | \$5,347,000    | \$749,950"     |

Page 2, line 19, replace "\$6,606,826" with "\$6,687,330"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1011 - Highway Patrol - Conference Committee Action**

|                |                  |                         |                         |                   |                         |
|----------------|------------------|-------------------------|-------------------------|-------------------|-------------------------|
| Base<br>Budget | House<br>Version | Conference<br>Committee | Conference<br>Committee | Senate<br>Version | Comparison<br>to Senate |
|----------------|------------------|-------------------------|-------------------------|-------------------|-------------------------|

|                                  |              |              | Changes    | Version      |              |             |
|----------------------------------|--------------|--------------|------------|--------------|--------------|-------------|
| Administration                   | \$3,466,113  | \$3,743,953  | (\$13,552) | \$3,730,401  | \$3,730,401  |             |
| Field operations                 | 48,596,777   | 55,285,998   | 622,705    | 55,908,703   | 56,452,198   | (543,495)   |
| Law enforcement training academy | 1,682,043    | 80,000       |            | 80,000       | 80,000       |             |
| Accrued leave payments           | 1,110,651    |              |            |              |              |             |
| Total all funds                  | \$54,855,584 | \$59,109,951 | \$609,153  | \$59,719,104 | \$60,262,599 | (\$543,495) |
| Less estimated income            | 12,594,542   | 12,994,447   | 68,094     | 13,062,541   | 13,127,702   | (65,161)    |
| General fund                     | \$42,261,042 | \$46,115,504 | \$541,059  | \$46,656,563 | \$47,134,897 | (\$478,334) |
| FTE                              | 213.00       | 213.00       | 2.00       | 215.00       | 217.00       | (2.00)      |

### Department No. 504 - Highway Patrol - Detail of Conference Committee Changes

|                                  | Adjusts<br>Funding for<br>Health<br>Insurance<br>Premium<br>Increases <sup>1</sup> | Adds 2 Traffic<br>Trooper<br>Positions <sup>2</sup> | Increases<br>Funding for<br>Vehicle<br>Equipment<br>Installation <sup>3</sup> | Total<br>Conference<br>Committee<br>Changes |
|----------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------|
| Administration                   | (\$13,552)                                                                         |                                                     |                                                                               | (\$13,552)                                  |
| Field operations                 | (140,789)                                                                          | 543,494                                             | 220,000                                                                       | 622,705                                     |
| Law enforcement training academy |                                                                                    |                                                     |                                                                               |                                             |
| Accrued leave payments           |                                                                                    |                                                     |                                                                               |                                             |
| Total all funds                  | (\$154,341)                                                                        | \$543,494                                           | \$220,000                                                                     | \$609,153                                   |
| Less estimated income            | (30,560)                                                                           | 70,654                                              | 28,000                                                                        | 68,094                                      |
| General fund                     | (\$123,781)                                                                        | \$472,840                                           | \$192,000                                                                     | \$541,059                                   |
| FTE                              | 0.00                                                                               | 2.00                                                | 0.00                                                                          | 2.00                                        |

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added for 2 new traffic trooper FTE positions for the 2015-17 biennium as follows:

|                                      |           |
|--------------------------------------|-----------|
| Base salaries and operating expenses | \$439,424 |
| Salary increase                      | 11,940    |
| Health insurance premium increases   | 7,130     |
| One-time equipment costs             | 85,000    |
| Total                                | \$543,494 |

The House did not add any trooper FTE positions and the Senate added 4 FTE positions.

<sup>3</sup> Additional funding is added for vehicle equipment installation costs to provide total increased funding of \$520,000, the same as the Senate version. The House increased funding for vehicle equipment installation costs by \$300,000.

This amendment also amends Section 3 of the bill to adjust the amount of funding provided from the highway tax distribution fund from \$6,606,826 to \$6,687,330.

Engrossed HB 1011 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**HB 1013, as engrossed:** Your conference committee (Sens. Krebsbach, Wanzek, Heckaman and Reps. Kempenich, Hogan, Silbernagel) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1549-1551, adopt amendments as follows, and place HB 1013 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1549-1551 of the House Journal and pages 1342 and 1343 of the Senate Journal and that Engrossed House Bill No. 1013 be amended as follows:

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

Page 1, line 3, after "funds" insert "; to create and enact a new section to chapter 44-04 of the North Dakota Century Code, relating to the exempt records for the value of property paid to the state abandoned property office; to amend and reenact section 57-62-05 of the North Dakota Century Code, relating to the timing of grant recommendations; to provide for a legislative management study; and to declare an emergency"

Page 1, replace lines 13 through 21 with:

|                                         |                  |                |                  |
|-----------------------------------------|------------------|----------------|------------------|
| "Salaries and wages                     | \$5,157,015      | \$966,501      | \$6,123,516      |
| Accrued leave payments                  | 108,541          | (108,541)      | 0                |
| Operating expenses                      | 1,925,863        | 93,774         | 2,019,637        |
| Contingencies                           | 200,000          | (100,000)      | 100,000          |
| Energy infrastructure and impact office | <u>700,826</u>   | <u>(826)</u>   | <u>700,000</u>   |
| Total all funds                         | \$8,092,245      | \$850,908      | \$8,943,153      |
| Less estimated income                   | <u>8,092,245</u> | <u>850,908</u> | <u>8,943,153</u> |
| Total general fund                      | \$0              | \$0            | \$0              |
| Full-time equivalent positions          | 31.00            | 2.00           | 33.00"           |

Page 2, line 13, remove "section 1 of"

Page 2, after line 31, insert:

**"SECTION 5.** A new section to chapter 44-04 of the North Dakota Century Code is created and enacted as follows:

**Value of property paid or delivered to the administrator of the state abandoned property office - Exempt record.**

A record of the value of property paid or delivered to the administrator of the state abandoned property office under section 47-30.1-17 is an exempt record.

**SECTION 6. AMENDMENT.** Section 57-62-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-62-05. Powers and duties of energy infrastructure and impact office director.**

The energy infrastructure and impact office director shall:

1. Develop a plan for the assistance, through financial grants for services and facilities, of counties, cities, school districts, and other political subdivisions in coal development and oil and gas development impact areas.
2. Establish procedures and provide proper forms to political subdivisions for use in making application for funds for impact assistance as provided in this chapter.
3. Make grants disbursements to counties, cities, school districts, and other taxing districts for grants awarded by the board of university and school lands pursuant to chapter 15-01, as provided in this chapter and within the appropriations made for such purposes. In determining the amount of impact grants for which political subdivisions are eligible, consideration must be given to the amount of revenue to which such political subdivisions will be entitled from taxes upon the real property of coal and oil and gas development plants and from other tax or fund distribution formulas provided by law.
4. Receive and review applications for impact assistance pursuant to this chapter.
5. Make recommendations, ~~not less than once each calendar quarter,~~ to the board of university and school lands on grants to counties, cities, school districts, and other political subdivisions in oil and gas development

impact areas based on identified needs, and other sources of revenue available to the political subdivision.

**SECTION 7. LEGISLATIVE MANAGEMENT STUDY - FEDERAL LEGISLATION REGARDING OAHE DAM.** During the 2015-16 interim, the legislative management shall consider studying progress on the passage of federal legislation to return excess lands to the operation of the Oahe Dam in Emmons and Morton Counties, and to the state of North Dakota pursuant to section 1 of House Bill No. 1456, as approved by the sixty-fourth legislative assembly. The legislative management shall seek the input and assistance of representatives of Morton and Emmons Counties, as well as the army corp of engineers, in advancing the study and developing recommendations to achieve the passage of federal legislation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 8. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1013 - Department of Trust Lands - Conference Committee Action**

|                                            | Base<br>Budget | House<br>Version | Conference<br>Committee<br>Changes | Conference<br>Committee<br>Version | Senate<br>Version | Comparison<br>to Senate |
|--------------------------------------------|----------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Salaries and wages                         | \$5,157,015    | \$5,991,846      | \$131,670                          | \$6,123,516                        | \$6,284,964       | (\$161,448)             |
| Operating expenses                         | 1,925,863      | 1,896,372        | 123,265                            | 2,019,637                          | 2,052,902         | (33,265)                |
| Energy infrastructure and impact<br>office | 700,826        | 373,412          | 326,588                            | 700,000                            | 700,000           |                         |
| Contingencies                              | 200,000        | 100,000          |                                    | 100,000                            | 100,000           |                         |
| Accrued leave payments                     | 108,541        |                  |                                    |                                    |                   |                         |
| Total all funds                            | \$8,092,245    | \$8,361,630      | \$581,523                          | \$8,943,153                        | \$9,137,866       | (\$194,713)             |
| Less estimated income                      | 8,092,245      | 8,361,630        | 581,523                            | 8,943,153                          | 9,137,866         | (194,713)               |
| General fund                               | \$0            | \$0              | \$0                                | \$0                                | \$0               | \$0                     |
| FTE                                        | 31.00          | 32.00            | 1.00                               | 33.00                              | 34.00             | (1.00)                  |

**Department No. 226 - Department of Trust Lands - Detail of Conference Committee Changes**

|                                            | Adjusts<br>Funding for<br>Health<br>Insurance<br>Premium<br>Increases <sup>1</sup> | Adds Funding<br>for FTE<br>Position <sup>2</sup> | Adds Funding<br>for Office<br>Space Rental <sup>3</sup> | Adds Funding<br>for Energy<br>Infrastructure<br>and Impact<br>Office <sup>4</sup> | Total<br>Conference<br>Committee<br>Changes |
|--------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------|
| Salaries and wages                         | (\$22,033)                                                                         | \$153,703                                        |                                                         |                                                                                   | \$131,670                                   |
| Operating expenses                         |                                                                                    | 33,265                                           | 90,000                                                  |                                                                                   | 123,265                                     |
| Energy infrastructure and<br>impact office |                                                                                    |                                                  |                                                         | 326,588                                                                           | 326,588                                     |
| Contingencies                              |                                                                                    |                                                  |                                                         |                                                                                   |                                             |
| Accrued leave payments                     |                                                                                    |                                                  |                                                         |                                                                                   |                                             |
| Total all funds                            | (\$22,033)                                                                         | \$186,968                                        | \$90,000                                                | \$326,588                                                                         | \$581,523                                   |
| Less estimated income                      | (22,033)                                                                           | 186,968                                          | 90,000                                                  | 326,588                                                                           | 581,523                                     |
| General fund                               | \$0                                                                                | \$0                                              | \$0                                                     | \$0                                                                               | \$0                                         |
| FTE                                        | 0.00                                                                               | 1.00                                             | 0.00                                                    | 0.00                                                                              | 1.00                                        |

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month. This funding was adjusted for changes in FTE positions compared to the Senate version.

<sup>2</sup> Funding from special funds for salaries and wages (\$153,703) and operating expenses (\$33,265) is added for a compliance officer position. The Senate provided \$385,246 from the general fund for 2 FTE positions, including a public information officer and a compliance officer. The House did not include this FTE position or the related funding.

<sup>3</sup> Funding from special funds is added for office space rental. The Senate version also included \$90,000 for office space rental.

<sup>4</sup> Funding is added for administrative costs of the energy infrastructure and impact office to provide total funding of \$700,000 from the oil and gas impact grant fund, which is the same as the Senate version. The House version provided \$373,412 from the oil and gas impact grant fund.

---

This amendment also:

- Adds a section to remove the requirement that the Department of Trust Lands award oil and gas impact grants at least quarterly. The Senate also included this section, but the House did not.
- Adds a new section to allow records related to the value of property paid or delivered to the state abandoned property office to be exempt records and provides an emergency clause for the section. Neither the House nor the Senate versions included these provisions.
- Provides for a Legislative Management study of excess lands. Neither the House nor the Senate versions included this study.

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

#### REPORT OF CONFERENCE COMMITTEE

**HB 1018, as engrossed:** Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Streyle, Martinson, Guggisberg) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1742-1746, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1742-1746 of the House Journal and pages 1414-1418 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 2, after the third semicolon insert "to amend and reenact section 54-60-17 of the North Dakota Century Code, relating to workforce development;"

Page 1, replace line 12 with:

|                     |              |           |               |
|---------------------|--------------|-----------|---------------|
| "Salaries and wages | \$12,361,114 | \$810,693 | \$13,171,807" |
|---------------------|--------------|-----------|---------------|

Page 1, replace line 14 with:

|                     |            |           |             |
|---------------------|------------|-----------|-------------|
| "Operating expenses | 15,635,749 | 3,036,541 | 18,672,290" |
|---------------------|------------|-----------|-------------|

Page 1, replace line 16 with:

|         |            |           |             |
|---------|------------|-----------|-------------|
| "Grants | 56,622,950 | 8,364,121 | 64,987,071" |
|---------|------------|-----------|-------------|

Page 1, replace lines 21 and 22 with:

|                                               |           |           |            |
|-----------------------------------------------|-----------|-----------|------------|
| "Agricultural products utilization commission | 3,240,494 | 78,117    | 3,318,611  |
| Research North Dakota                         | 0         | 4,500,000 | 4,500,000" |

Page 1, remove line 24

Page 2, replace lines 1 through 4 with:

|                                       |                   |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|
| "Entrepreneurship grants and vouchers | 0                 | 3,250,000         | 3,250,000         |
| Partner programs                      | <u>2,022,044</u>  | <u>200,000</u>    | <u>2,222,044</u>  |
| Total all funds                       | \$93,864,446      | \$33,658,728      | \$127,523,174     |
| Less estimated income                 | <u>51,707,386</u> | <u>22,812,087</u> | <u>74,519,473</u> |
| Total general fund                    | \$42,157,060      | \$10,846,641      | \$53,003,701"     |

Page 2, replace line 13 with:

|                        |            |            |
|------------------------|------------|------------|
| "Research North Dakota | 12,000,000 | 4,500,000" |
|------------------------|------------|------------|

Page 2, replace lines 20 through 22 with:

|                            |           |            |
|----------------------------|-----------|------------|
| "Enhanced use lease grant  | 2,500,000 | 7,500,000  |
| Child care facility grants | 0         | 2,250,000  |
| Homeless shelter grants    | 0         | 1,500,000" |

Page 2, replace line 24 with:

|                                  |   |            |
|----------------------------------|---|------------|
| "Tribal community college grants | 0 | 3,000,000" |
|----------------------------------|---|------------|

Page 2, replace line 27 with:

|                                 |   |          |
|---------------------------------|---|----------|
| "Workforce recruitment campaign | 0 | 300,000" |
|---------------------------------|---|----------|

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| "Entrepreneurship grants and vouchers | 0                 | 1,750,000         |
| Tourism international                 | 0                 | 247,836           |
| Educators and industry externships    | 0                 | 50,000            |
| Total all funds                       | \$45,955,636      | \$40,926,325      |
| Less estimated income                 | <u>23,655,636</u> | <u>21,359,869</u> |
| Total general fund                    | \$22,300,000      | \$19,566,456"     |

Page 3, remove lines 7 through 11

Page 3, line 20, replace "\$2,500,000" with "\$7,500,000"

Page 3, line 24, replace "funds" with "up to \$3,100,000, or additional amounts as necessary,"

Page 3, line 25, remove "and construction"

Page 3, line 26, remove "commences"

Page 3, line 27, replace "Funds" with "Remaining funds"

Page 3, line 27, remove "and construction commences"

Page 3, line 30, replace ", such as fiber" with "or for data services, such as analysis, modeling, or storage, to be provided to tenants or prospective tenants"

Page 4, line 2, replace "\$1,875,000" with "\$2,250,000"

Page 4, line 9, replace "\$2,500,000" with "\$3,250,000"

Page 4, line 9, replace "\$2,350,000" with "\$3,100,000"

Page 4, line 13, remove "use"

Page 4, line 14, replace "up to" with "provide a"

Page 4, line 14, remove "to provide a"

Page 4, line 15, after the second "located" insert "and provide a \$300,000 grant to each of the two entrepreneurial centers associated with a research university located in a city with a population of at least 50,000 according to the most recent decennial census"

Page 4, after line 26, insert:



**"SECTION 8. TRIBAL COLLEGE GRANTS.** The grants line item in section 1 of this Act includes the sum of \$3,000,000 for tribal college grants, \$2,000,000 of which is from the general fund and \$1,000,000 is from the student loan trust fund, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 9. DEPARTMENT OF COMMERCE GRANT - ART AND GALLERY ASSOCIATION.** Of the funds appropriated in the discretionary funds line item in section 1 of this Act, the department shall use \$150,000 from the general fund to provide a grant to an arts and gallery association located in the city where the state capitol is located."

Page 5, line 22, replace "\$1,500,000" with "\$1,550,000"

Page 5, line 29, after the period insert "The department of commerce shall make available \$1,000,000 of the funds transferred to the research North Dakota fund for research North Dakota for grants to conduct research on and commercialization for the prevention of, treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning July 1, 2015, and ending December 31, 2016. If the grants are not awarded by December 31, 2016, the funds must be made available for other authorized purposes of research North Dakota."

Page 7, after line 3, insert:

**"SECTION 24. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-17. Division of workforce development - Internships, apprenticeships, and work experience opportunities.**

The division of workforce development shall administer a program to increase use of internships, apprenticeships, and work experience opportunities for higher education students and high school students enrolled in grade eleven or twelve, and educators. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase internship, apprenticeship, and work experience opportunities. The department shall maintain records of the number of internship, apprenticeship, and work experience opportunities subsidized within each funding recipient.

**SECTION 25. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER FOR PROCESSING FIRST RESPONDER DATA.** During the 2015-16 interim, the legislative management shall consider studying issues related to the state's development of a civilian ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central location for processing first responder data, including high definition, high-spectral, infrared, and thermal imagery, as well as electronic signals through cell phones and internet service, generated from the deployment of unmanned aircraft and unmanned systems by first responders during federal, state, and local government responses to emergencies, natural disasters, emergency preparedness, and law enforcement activities; training services; data management, data analysis, data interpretation and information routing approximating a real-time basis; and a repository of data and best practices for first responders at federal, state, and local levels. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 7, line 4, replace "\$1,500,000" with "\$1,550,000"

Page 7, line 5, after "1" insert "relating to the operation intern program"

Page 7, line 5, replace "10" with "15"

Page 7, line 5, remove ", relating to the operation intern program,"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1018 - Summary of Conference Committee Action

|                        | Base Budget  | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|--------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Adjutant General       |              |               |                              |                              |                |                      |
| Total all funds        | \$0          | \$200,000     | \$0                          | \$200,000                    | \$200,000      | \$0                  |
| Less estimated income  | 0            | 0             | 0                            | 0                            | 0              | 0                    |
| General fund           | \$0          | \$200,000     | \$0                          | \$200,000                    | \$200,000      | \$0                  |
| Department of Commerce |              |               |                              |                              |                |                      |
| Total all funds        | \$93,864,446 | \$120,997,699 | \$6,525,475                  | \$127,523,174                | \$132,773,174  | (\$5,250,000)        |
| Less estimated income  | 51,707,386   | 68,527,697    | 5,991,776                    | 74,519,473                   | 75,519,473     | (1,000,000)          |
| General fund           | \$42,157,060 | \$52,470,002  | \$533,699                    | \$53,003,701                 | \$57,253,701   | (\$4,250,000)        |
| Bill total             |              |               |                              |                              |                |                      |
| Total all funds        | \$93,864,446 | \$121,197,699 | \$6,525,475                  | \$127,723,174                | \$132,973,174  | (\$5,250,000)        |
| Less estimated income  | 51,707,386   | 68,527,697    | 5,991,776                    | 74,519,473                   | 75,519,473     | (1,000,000)          |
| General fund           | \$42,157,060 | \$52,670,002  | \$533,699                    | \$53,203,701                 | \$57,453,701   | (\$4,250,000)        |

## House Bill No. 1018 - Adjutant General - Conference Committee Action

The conference committee did not change the House or Senate version.

## House Bill No. 1018 - Department of Commerce - Conference Committee Action

|                                      | Base Budget  | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|--------------------------------------|--------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Salaries and wages                   | \$12,361,114 | \$13,207,534  | (\$35,727)                   | \$13,171,807                 | \$13,195,182   | (\$23,375)           |
| Operating expenses                   | 15,635,749   | 18,315,874    | 356,416                      | 18,672,290                   | 18,685,123     | (12,833)             |
| Capital assets                       | 10,000       |               |                              |                              |                |                      |
| Grants                               | 56,622,950   | 60,130,878    | 4,856,193                    | 64,987,071                   | 70,699,456     | (5,712,385)          |
| Discretionary funds                  | 928,082      | 928,082       |                              | 928,082                      | 928,082        |                      |
| Economic development initiatives     | 186,846      |               |                              |                              |                |                      |
| Ag products utilization commission   | 3,240,494    | 3,320,018     | (1,407)                      | 3,318,611                    | 3,320,018      | (1,407)              |
| North Dakota trade office            | 2,613,400    | 2,613,400     |                              | 2,613,400                    | 2,613,400      |                      |
| Partner programs                     | 2,022,044    | 2,122,044     | 100,000                      | 2,222,044                    | 2,222,044      |                      |
| Accrued leave payments               | 243,767      |               |                              |                              |                |                      |
| Research North Dakota                |              | 4,000,000     | 500,000                      | 4,500,000                    | 4,000,000      | 500,000              |
| Workforce enhancement fund           |              | 1,000,000     |                              | 1,000,000                    | 1,000,000      |                      |
| Flood impact grants/loans            |              | 12,859,869    |                              | 12,859,869                   | 12,859,869     |                      |
| Entrepreneurship grants and vouchers |              | 2,500,000     | 750,000                      | 3,250,000                    | 3,250,000      |                      |
| Total all funds                      | \$93,864,446 | \$120,997,699 | \$6,525,475                  | \$127,523,174                | \$132,773,174  | (\$5,250,000)        |
| Less estimated income                | 51,707,386   | 68,527,697    | 5,991,776                    | 74,519,473                   | 75,519,473     | (1,000,000)          |
| General fund                         | \$42,157,060 | \$52,470,002  | \$533,699                    | \$53,003,701                 | \$57,253,701   | (\$4,250,000)        |
| FTE                                  | 69.25        | 69.40         | 0.00                         | 69.40                        | 69.40          | 0.00                 |

## Department No. 601 - Department of Commerce - Detail of Conference Committee Changes

|                                    | Adjusts Funding for Health Insurance Premium Increases <sup>1</sup> | Increases Funding for Partner Program <sup>2</sup> | Increases One-Time Funding <sup>3</sup> | Total Conference Committee Changes |
|------------------------------------|---------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|------------------------------------|
| Salaries and wages                 | (\$48,118)                                                          |                                                    | \$12,391                                | (\$35,727)                         |
| Operating expenses                 |                                                                     |                                                    | 356,416                                 | 356,416                            |
| Capital assets                     |                                                                     |                                                    |                                         |                                    |
| Grants                             |                                                                     |                                                    | 4,856,193                               | 4,856,193                          |
| Discretionary funds                |                                                                     |                                                    |                                         |                                    |
| Economic development initiatives   |                                                                     |                                                    |                                         |                                    |
| Ag products utilization commission | (1,407)                                                             |                                                    |                                         | (1,407)                            |
| North Dakota trade office          |                                                                     |                                                    |                                         |                                    |
| Partner programs                   |                                                                     | 100,000                                            |                                         | 100,000                            |
| Accrued leave payments             |                                                                     |                                                    |                                         |                                    |
| Research North Dakota              |                                                                     |                                                    | 500,000                                 | 500,000                            |
| Workforce enhancement fund         |                                                                     |                                                    |                                         |                                    |
| Flood impact grants/loans          |                                                                     |                                                    |                                         |                                    |

|                                      |            |           |             |             |
|--------------------------------------|------------|-----------|-------------|-------------|
| Entrepreneurship grants and vouchers |            |           | 750,000     | 750,000     |
| Total all funds                      | (\$49,525) | \$100,000 | \$6,475,000 | \$6,525,475 |
| Less estimated income                | (8,224)    | 0         | 6,000,000   | 5,991,776   |
| General fund                         | (\$41,301) | \$100,000 | \$475,000   | \$533,699   |
| FTE                                  | 0.00       | 0.00      | 0.00        | 0.00        |

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is increased for partner programs related to small business development programs to provide a total of \$300,000, the same as the Senate version.

<sup>3</sup> One-time funding is increased for the following:

|                                      | House Version | General Fund Increase | Other Funds Increase | Conference Committee Version | Senate Version |
|--------------------------------------|---------------|-----------------------|----------------------|------------------------------|----------------|
| Child care facility grant program    | \$1,875,000   | \$375,000             |                      | \$2,250,000                  | \$3,000,000    |
| Tribal college grants                | 2,000,000     |                       | \$1,000,000          | 3,000,000                    | 4,000,000      |
| Enhanced use lease grant             | 2,500,000     |                       | 5,000,000            | 7,500,000                    | 7,500,000      |
| Entrepreneurial centers and vouchers | 1,000,000     | 750,000               |                      | 1,750,000                    | 1,750,000      |
| Workforce recruitment campaign       |               | 300,000               |                      | 300,000                      | 300,000        |
| Educators and externship grants      |               | 50,000                |                      | 50,000                       | 50,000         |
| Workplace safety facility            | 2,000,000     | (2,000,000)           |                      |                              | 4,000,000      |
| Homeless shelter grants              | 1,000,000     | 500,000               |                      | 1,500,000                    | 1,500,000      |
| Research ND                          | 4,000,000     | 500,000               |                      | 4,500,000                    | 4,000,000      |
| Total                                | \$14,375,000  | \$475,000             | \$6,000,000          | \$20,850,000                 | \$26,100,000   |

This amendment also:

- Removes a section providing a grant to an organization to acquire land, site development, and design of a workplace safety training facility.
- Makes available \$1 million of Research North Dakota funding for grants to conduct research on and commercialization for the prevention of, treatment of, or cure of viral diseases, cancer, and other pathogens, until December 31, 2016. If the grants are not awarded by December 31, 2016, the funds become available for other Research North Dakota grants. The Senate made the funding available until June 30, 2016.
- Allows the department to provide grants of up to \$3.1 million or additional amounts if necessary under the enhanced use lease grant program for taxiway reconnection and alert pad refurbishment, and includes language for data services. The Senate did not include language for data services.
- Requires the department to provide three separate grants of \$300,000 to the IDEA Center, North Dakota State University Research and Technology Park, and the University of North Dakota Center for Innovation, the same as the Senate version.
- Designates \$1 million of the \$3 million provided for tribal college grants from the student loan trust fund. The Senate designated \$2 million of \$4 million provided for tribal college grants from the student loan trust fund.
- Provides a new section requiring the department to use \$150,000 from the discretionary funds line item to provide a grant to the Bismarck Art and Galleries Association. The Senate did not include this section.
- Includes a new section providing a legislative study of issues related to being the first state to support the development of a civilian ground center. The Senate did not include this section.
- Amends North Dakota Century Code Section 54-60-17 to include educators under the workforce development program, the same as the Senate version.
- Transfers \$247,836 for tourism international from ongoing funding to one-time funding, the same as the Senate version.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

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

Reengrossed HB 1013, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1013:** A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for transfers; to provide for distributions from permanent funds; to create and enact a new section to chapter 44-04 of the North Dakota Century Code, relating to the exempt records for the value of property paid to the state abandoned property office; to amend and reenact section 57-62-05 of the North Dakota Century Code, relating to the timing of grant recommendations; to provide for a legislative management study; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed HB 1013, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. WANZEK MOVED** that the conference committee report on Reengrossed HB 1011 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1011, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1011:** A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol; to provide for a transfer; to provide for legislative intent; and to provide for expense payments to highway patrol officers.

**ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed HB 1011, as amended, passed.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOLMBERG MOVED** that the conference committee report on Reengrossed HB 1018 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1018, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1018:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; to amend and reenact section 54-60-17 of the North Dakota Century Code, relating to workforce development; 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, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Larsen; Miller

Reengrossed HB 1018, as amended, passed.

\*\*\*\*\*

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1139.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1011.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1018.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2020.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1013.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2031.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2039.

**MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Tuesday, April 28, 2015, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1003, as engrossed:** Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Sanford, Martinson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1685-1700, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1685-1700 of the House Journal and pages 1446-1461 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 2, replace "six" with "five"

Page 1, line 3, after "new" insert "subsection to a new"

Page 1, line 3, after "54-10" insert "as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly,"

Page 1, line 6, remove ", capital project budget requests"

Page 1, line 9, replace "section 15-10-12.1, subsection 3 of section 15-10-17," with "subdivision c of subsection 1 of section 15-10-17,"

Page 1, line 10, remove "15.1-21-02.6,"

Page 1, line 11, remove "campus"

Page 1, remove line 12

Page 1, line 13, replace "higher education" with "university system office personnel"

Page 1, line 13, remove "career and technical education scholarships,"

Page 1, line 17, after "funds" insert "; to authorize the state board of higher education to issue and sell bonds for capital projects; to limit tuition rate increases"

Page 1, line 20, remove "to provide an appropriation to the state auditor;"

Page 1, line 21, remove "a"

Page 1, line 21, replace the second "appropriation" with "appropriations"

Page 1, line 22, after "exemptions" insert "; to provide legislative intent"

Page 2, remove lines 8 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, replace lines 1 through 17 with:

"Subdivision 1.

#### NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

|                                                  | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------------------------|-------------------|----------------------------------------|----------------------|
| Capital assets - bond payments                   | \$10,436,045      | (\$2,067,209)                          | \$8,368,836          |
| Competitive research program                     | 7,050,000         | 0                                      | 7,050,000            |
| System governance                                | 12,666,502        | (5,139,509)                            | 7,526,993            |
| Title II                                         | 1,006,472         | 0                                      | 1,006,472            |
| Core technology services                         | 38,662,551        | 7,318,414                              | 45,980,965           |
| Student financial assistance grants              | 21,245,679        | 4,388,597                              | 25,634,276           |
| Professional student exchange program            | 4,275,015         | 0                                      | 4,275,015            |
| Academic and technical education<br>scholarships | 10,000,000        | 4,054,677                              | 14,054,677           |
| Two-year campus marketing                        | 800,000           | 0                                      | 800,000              |

|                                              |                  |                |                  |
|----------------------------------------------|------------------|----------------|------------------|
| Scholars program                             | 2,113,584        | 0              | 2,113,584        |
| Native American scholarships                 | 649,267          | 0              | 649,267          |
| Tribally-controlled community college grants | 1,000,000        | 0              | 1,000,000        |
| Education incentive programs                 | 3,349,000        | 0              | 3,349,000        |
| Student mental health                        | 282,520          | 33,480         | 316,000          |
| Veterans assistance grants                   | 325,000          | 0              | 325,000          |
| Deferred maintenance pool                    | 0                | 8,700,000      | 8,700,000        |
| Campus security pool                         | 0                | 3,000,000      | 3,000,000        |
| Open education resources training            | 0                | 110,000        | 110,000          |
| Internal audit pool                          | 0                | 300,000        | 300,000          |
| Total all funds                              | \$113,861,635    | \$20,698,450   | \$134,560,085    |
| Less estimated income                        | <u>2,299,912</u> | <u>211,304</u> | <u>2,511,216</u> |
| Total general fund                           | \$111,561,723    | \$20,487,146   | \$132,048,869    |
| Full-time equivalent positions               | 112.91           | (8.52)         | 104.39           |

## Subdivision 2.

## BISMARCK STATE COLLEGE

|                                | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations                     | \$32,653,654      | \$3,509,499                        | \$36,163,153         |
| Capital assets                 | <u>417,673</u>    | <u>2,175,000</u>                   | <u>2,592,673</u>     |
| Total all funds                | \$33,071,327      | \$5,684,499                        | \$38,755,826         |
| Less estimated income          | 0                 | 600,000                            | 600,000              |
| Total general fund             | \$33,071,327      | \$5,084,499                        | \$38,155,826         |
| Full-time equivalent positions | 126.96            | 6.57                               | 133.53               |

## Subdivision 3.

## LAKE REGION STATE COLLEGE

|                                | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations                     | \$12,429,097      | \$2,403,092                        | \$14,832,189         |
| Capital assets                 | <u>155,367</u>    | <u>1,648,423</u>                   | <u>1,803,790</u>     |
| Total all funds                | \$12,584,464      | \$4,051,515                        | \$16,635,979         |
| Less estimated income          | 0                 | 0                                  | 0                    |
| Total general fund             | \$12,584,464      | \$4,051,515                        | \$16,635,979         |
| Full-time equivalent positions | 40.22             | 9.97                               | 50.19                |

## Subdivision 4.

## WILLISTON STATE COLLEGE

|                                | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Operations                     | \$12,783,506      | (\$233,042)                        | \$12,550,464         |
| Capital assets                 | <u>197,801</u>    | 0                                  | <u>197,801</u>       |
| Total all funds                | \$12,981,307      | (\$233,042)                        | \$12,748,265         |
| Less estimated income          | 0                 | 0                                  | 0                    |
| Total general fund             | \$12,981,307      | (\$233,042)                        | \$12,748,265         |
| Full-time equivalent positions | 44.15             | 5.81                               | 49.96                |

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

|                       | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|------------------------------------|----------------------|
| Operations            | \$149,683,005     | \$17,591,333                       | \$167,274,338        |
| Capital assets        | <u>4,411,566</u>  | <u>74,760,000</u>                  | <u>79,171,566</u>    |
| Total all funds       | \$154,094,571     | \$92,351,333                       | \$246,445,904        |
| Less estimated income | 0                 | 6,000,000                          | 6,000,000            |

|                                |               |              |               |
|--------------------------------|---------------|--------------|---------------|
| Total general fund             | \$154,094,571 | \$86,351,333 | \$240,445,904 |
| Full-time equivalent positions | 633.60        | (3.40)       | 630.20        |

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$140,341,540     | \$14,336,756                           | \$154,678,296        |
| Capital assets                 | <u>2,732,244</u>  | <u>11,600,000</u>                      | <u>14,332,244</u>    |
| Total all funds                | \$143,073,784     | \$25,936,756                           | \$169,010,540        |
| Less estimated income          | <u>0</u>          | <u>11,600,000</u>                      | <u>11,600,000</u>    |
| Total general fund             | \$143,073,784     | \$14,336,756                           | \$157,410,540        |
| Full-time equivalent positions | 491.21            | 45.89                                  | 537.10               |

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$38,181,456      | \$5,537,929                            | \$43,719,385         |
| Capital assets                 | <u>1,012,379</u>  | <u>13,298,000</u>                      | <u>14,310,379</u>    |
| Total all funds                | \$39,193,835      | \$18,835,929                           | \$58,029,764         |
| Less estimated income          | <u>0</u>          | <u>0</u>                               | <u>0</u>             |
| Total general fund             | \$39,193,835      | \$18,835,929                           | \$58,029,764         |
| Full-time equivalent positions | 171.87            | (3.57)                                 | 168.30               |

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$26,299,227      | \$2,307,626                            | \$28,606,853         |
| Capital assets                 | <u>409,078</u>    | <u>0</u>                               | <u>409,078</u>       |
| Total all funds                | \$26,708,305      | \$2,307,626                            | \$29,015,931         |
| Less estimated income          | <u>0</u>          | <u>2,000,000</u>                       | <u>2,000,000</u>     |
| Total general fund             | \$26,708,305      | \$307,626                              | \$27,015,931         |
| Full-time equivalent positions | 100.32            | 19.94                                  | 120.26               |

## Subdivision 9.

## MAYVILLE STATE UNIVERSITY

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$14,364,424      | \$2,015,729                            | \$16,380,153         |
| Capital assets                 | <u>358,992</u>    | <u>0</u>                               | <u>358,992</u>       |
| Total all funds                | \$14,723,416      | \$2,015,729                            | \$16,739,145         |
| Less estimated income          | <u>0</u>          | <u>0</u>                               | <u>0</u>             |
| Total general fund             | \$14,723,416      | \$2,015,729                            | \$16,739,145         |
| Full-time equivalent positions | 62.78             | 3.45                                   | 66.23                |

## Subdivision 10.

## MINOT STATE UNIVERSITY

|                       | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|----------------------------------------|----------------------|
| Operations            | \$43,810,211      | \$4,048,350                            | \$47,858,561         |
| Capital assets        | <u>899,620</u>    | <u>0</u>                               | <u>899,620</u>       |
| Total all funds       | \$44,709,831      | \$4,048,350                            | \$48,758,181         |
| Less estimated income | <u>0</u>          | <u>0</u>                               | <u>0</u>             |



|                                |              |             |              |
|--------------------------------|--------------|-------------|--------------|
| Total general fund             | \$44,709,831 | \$4,048,350 | \$48,758,181 |
| Full-time equivalent positions | 201.76       | 2.34        | 204.10       |

Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$20,691,135      | \$4,370,214                            | \$25,061,349         |
| Capital assets                 | 408,319           | 30,289,000                             | 30,697,319           |
| Total all funds                | \$21,099,454      | \$34,659,214                           | \$55,758,668         |
| Less estimated income          | 0                 | 16,000,000                             | 16,000,000           |
| Total general fund             | \$21,099,454      | \$18,659,214                           | \$39,758,668         |
| Full-time equivalent positions | 97.29             | 8.30                                   | 105.59               |

Subdivision 12.

## DAKOTA COLLEGE AT BOTTINEAU

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$7,892,043       | \$697,566                              | \$8,589,609          |
| Capital assets                 | 114,007           | 11,746,983                             | 11,860,990           |
| Total all funds                | \$8,006,050       | \$12,444,549                           | \$20,450,599         |
| Less estimated income          | 0                 | 10,648,194                             | 10,648,194           |
| Total general fund             | \$8,006,050       | \$1,796,355                            | \$9,802,405          |
| Full-time equivalent positions | 36.12             | 10.84                                  | 46.96                |

Subdivision 13.

## UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$52,762,590      | \$18,674,806                           | \$71,437,396         |
| Total all funds                | \$52,762,590      | \$18,674,806                           | \$71,437,396         |
| Less estimated income          | 0                 | 0                                      | 0                    |
| Total general fund             | \$52,762,590      | \$18,674,806                           | \$71,437,396         |
| Full-time equivalent positions | 156.55            | 28.03                                  | 184.58               |

Subdivision 14.

## NORTH DAKOTA FOREST SERVICE

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|----------------------------------------|----------------------|
| Operations                     | \$6,249,979       | \$306,655                              | \$6,556,634          |
| Capital assets                 | 101,210           | 0                                      | 101,210              |
| Total all funds                | \$6,351,189       | \$306,655                              | \$6,657,844          |
| Less estimated income          | 1,650,000         | 0                                      | 1,650,000            |
| Total general fund             | \$4,701,189       | \$306,655                              | \$5,007,844          |
| Full-time equivalent positions | 29.00             | (0.04)                                 | 28.96                |

Subdivision 15.

## BILL TOTAL

|                           | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|---------------------------|-------------------|----------------------------------------|----------------------|
| Grand total general fund  | \$679,271,846     | \$196,909,865                          | \$876,181,711        |
| Grand total special funds | 3,949,912         | 47,059,498                             | 51,009,410           |
| Grand total all funds     | \$683,221,758     | \$243,969,363                          | \$927,191,121"       |

|                                  |               |              |
|----------------------------------|---------------|--------------|
| "Capital projects - general fund | \$155,691,350 | \$99,909,212 |
| Capital projects - other funds   | 168,531,029   | 44,848,194"  |

Page 7, remove line 26

Page 7, replace line 30 with:

|                                                   |           |           |
|---------------------------------------------------|-----------|-----------|
| "Theodore Roosevelt center                        | 6,000,000 | 800,000   |
| Williston state college energy development impact | 0         | 2,500,000 |
| Dickinson state university leadership transition  | 0         | 2,000,000 |
| Museum of art deferred maintenance                | 0         | 760,000"  |

Page 8, replace line 6 with:

|                            |            |            |
|----------------------------|------------|------------|
| "Deferred maintenance pool | 10,000,000 | 8,700,000" |
|----------------------------|------------|------------|

Page 8, replace lines 11 through 13 with:

|                    |               |                |
|--------------------|---------------|----------------|
| "Total all funds   | \$394,389,098 | \$183,963,712  |
| Total other funds  | 171,031,029   | 46,848,194     |
| Total general fund | \$223,358,069 | \$137,115,518" |

Page 8, remove lines 27 through 30

Page 9, remove lines 1 through 31

Page 10, replace lines 1 through 28 with:

#### **"SECTION 4. CONTINGENT APPROPRIATION - BUDGET SECTION**

**APPROVAL.** Subject to budget section approval as provided in this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of reorganizing the office of the commissioner of higher education, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funds provided under this section are available only if the state board of higher education submits to the budget section for approval a plan to reorganize the office of the commissioner of higher education. The plan must detail the proposed organizational structure of the office, priorities of the office, and process changes to increase office and systemwide efficiencies. The budget section may approve the entire appropriation provided under this section, or a portion of the appropriation, for the board of higher education to use for the purposes identified in this section. The funding provided in this section is considered a one-time funding item.

#### **SECTION 5. CONTINGENT GENERAL FUND APPROPRIATIONS - STATE BOARD OF HIGHER EDUCATION - CAPITAL PROJECTS - BUDGET SECTION APPROVAL.**

1. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,850,000, or so much of the sum as may be necessary, to the state board of higher education for the Valley City state university fine arts building project, including the demolition of two existing buildings, for the biennium beginning July 1, 2015, and ending June 30, 2017.
2. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$46,000,000, or so much of the sum as may be necessary, to the state board of higher education for the North Dakota state university Dunbar Hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.
3. a. The appropriation in subsection 1 of this section is available only if the director of the office of management and budget determines

actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$126,000,000, or if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$126,000,000.

- b. The appropriation in subsection 2 of this section is available only if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$200,000,000. Additionally, the appropriation in subsection 2 is available only if the state board of higher education certifies to the budget section that the Dunbar Hall project conforms to the university system campus master plan and space utilization study and the board receives budget section approval to proceed with the project.
- c. For purposes of this subsection, "estimated general fund revenues" excludes the unobligated general fund balance on July 1, 2015, and transfers to the general fund from the strategic investment and improvements fund, property tax relief fund or tax relief fund, the lottery, the mill and elevator, and gas tax administration.

**SECTION 6. APPROPRIATION - ATTORNEY GENERAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from the general fund in the state treasury, not otherwise appropriated, to the attorney general for the following purposes:

|                                                            |                |
|------------------------------------------------------------|----------------|
| Intellectual property attorney                             | \$436,994      |
| Continuation of contracted higher education legal services | <u>700,000</u> |
| Total general fund                                         | \$1,136,994    |

The attorney general is authorized one intellectual property attorney full-time equivalent position. The attorney general may not spend any funds designated for the intellectual property attorney position for purposes other than the salaries and wages and operating expenses of the intellectual property attorney. The funding designated for contracted higher education legal services is considered a one-time funding item.

**SECTION 7. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- c. Appoint and remove, at will, all university system office personnel, fix their salaries within the limits of legislative appropriations, ~~fix their terms of office~~, and prescribe their duties. The board may provide severance pay to an employee upon termination of employment only in accordance with section 54-14-04.3.

Page 11, line 4, after the second "administration" insert ", research computing"

Page 15, line 3, remove the overstrike over "2-3"

Page 15, line 3, remove "1.0"

Page 16, replace lines 6 through 11 with:

- "a. 1.00 if the number of credit-hours is at least 240,000;
- b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;

- c. 1.10 if the number of credit-hours is at least 120,000 but less than 180,000;
- d. 1.15 if the number of credit-hours is at least 90,000 but less than 120,000;
- e. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;
- f. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;
- g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
- h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
- i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
- j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
- k. 1.80 if the number of credit-hours is less than 30,000."

Page 17, line 12, replace "\$71.00" with "\$72.63"

Page 17, line 14, replace "\$105.10" with "\$107.33"

Page 17, line 17, replace "\$112.46" with "\$114.88"

Page 17, line 29, remove "or"

Page 17, line 31, after the underscored semicolon insert: "or

- e. Received a general educational development high school diploma from the superintendent of public instruction;"

Page 22, remove lines 8 through 31

Page 23, remove lines 1 through 31

Page 24, remove lines 1 through 31

Page 25, replace lines 1 through 22 with:

**"SECTION 19.** A new subsection to a new section to chapter 54-10, as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, is created and enacted as follows:

- 4. This section does not prohibit the state board of higher education from employing internal audit staff or contracting for internal audit services."

Page 25, line 26, after the boldfaced period insert:

"1."

Page 26, line 12, after the period insert:

"2."

Page 26, line 18, after the period insert:

"3."

Page 26, after line 26, insert:

- "4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Page 30, line 13, remove "to"

Page 30, remove line 14

Page 30, line 15 replace "university system master plan and space utilization studies" with "for eligible projects to address deferred maintenance at institutions identified in this subsection. To be eligible to receive funding under this subsection, a project must be identified in campus master plan and space utilization studies and be approved by the board. The maximum amount that may be transferred to each institution from the funding pool is as follows:

- a. \$3,500,000 to North Dakota state university;
- b. \$3,500,000 to the university of North Dakota;
- c. \$700,000 to Bismarck state college;
- d. \$500,000 to Mayville state university; and
- e. \$500,000 to lake region state college"

Page 30, line 22, remove "extraordinary repairs funding pool line item includes funding that must be used to"

Page 30, remove lines 23 and 24

Page 30, line 25, replace "forest service" with "internal audit funding pool line item includes funding that must be used for systemwide and campus internal audit purposes"

Page 30, remove lines 26 through 30

Page 30, line 31, remove "utilization of each type of space; and the projected future needs for each type of space."

Page 31, line 3, replace "extraordinary repairs" with "internal audit"

Page 31, line 24, replace "biennium" with "period"

Page 31, line 24, replace "July 1, 2015" with "with the effective date of this Act"

Page 31, line 26, replace "\$1,004,744" with "\$3,504,744"

Page 31, line 27, after "fund" insert a comma

Page 31, line 27, after "program" insert ", \$500,000 is for grants to tribally-controlled community colleges, \$2,000,000 is for campus leadership transition costs at Dickinson state university,"

Page 32, line 8, after the first "the" insert "state board of higher education and the"

Page 32, line 9, after "education" insert a comma

Page 32, line 9, after "to" insert "the board and"

Page 32, line 19, after the boldfaced hyphen insert "**USE OF 2013-15 BIENNIUM APPROPRIATIONS -**"

Page 32, line 19, replace "The amount" with "Of the \$5,000,000"

Page 32, line 20, replace "for" with "from the general fund in"

Page 32, line 21, after "Laws" insert ", \$1,000,000"

Page 32, line 21, remove "any unexpended funds in this line item"

Page 32, line 23 replace "The" with "Pursuant to section 54-44.1-11, the sum of \$4,000,000 appropriated in the performance funding pool line item of subdivision 1 of section 1 of chapter 34 of the 2013 Session Laws may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017. Of the unexpended appropriation, the state board of higher education shall transfer \$1,500,000 to Williston state college, \$1,500,000 to Dickinson state university, \$500,000 to Minot state university, and \$500,000 to Dakota college at Bottineau for deferred maintenance and extraordinary campus needs. The board shall transfer a prorated amount if sufficient funding is not available to provide for full transfers. Excluding the transfers authorized in this section, the"

Page 32, line 27, remove "- **TRANSFER - GRANT**"

Page 32, line 30, remove "Pursuant to section 54-44.1-11,"

Page 32, remove line 31

Page 33, remove lines 1 and 2

Page 33, line 3, remove "council for the development of elementary and secondary civics education."

Page 33, replace lines 7 through 28 with:

**"SECTION 35. EXEMPTION - THEODORE ROOSEVELT CENTER PROJECT - APPROPRIATION CANCELLATION.** Section 3 of chapter 34 of the 2013 Session Laws includes the sum of \$6,000,000 from the general fund appropriated to Dickinson state university for the Theodore Roosevelt center project. Section 4 of chapter 49 of the 2013 Session Laws includes the sum of \$6,000,000 from the general fund appropriated to Dickinson state university for the Theodore Roosevelt center project. Notwithstanding section 54-44.1-11, the office of management and budget shall cancel these appropriations on July 1, 2016, unless Dickinson state university certifies to the office of management and budget that a site has been selected for the Theodore Roosevelt center, construction plans have been developed for the project, and construction on the center will commence prior to January 1, 2017.

**SECTION 36. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2017-19 biennium budget request.

**SECTION 37. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this section and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be

issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

|                                                     |                   |
|-----------------------------------------------------|-------------------|
| Dakota college at Bottineau - dormitory renovations | \$2,900,000       |
| North Dakota state university - aquatic center      | <u>10,000,000</u> |
| Total special funds                                 | \$12,900,000      |

**SECTION 38. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS - LEGISLATIVE MANAGEMENT REPORT.** The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. An institution may not use a transfer from the deferred maintenance funding pool to provide matching funds under this section. This section does not apply to funding provided for repairs and maintenance of the North Dakota museum of art facility. During the 2015-16 interim, the state board of higher education shall provide a report to the legislative management regarding the use of extraordinary repairs funding and related matching funds.

**SECTION 39. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION APPROVAL.**

1. Notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for students attending institutions of higher education under its control during the 2015-16 academic year by more than two and one-half percent as compared to the tuition rate in effect during the 2015 spring semester unless the board receives prior budget section approval.
2. Notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for students attending institutions of higher education under its control during the 2016-17 academic year by more than two and one-half percent as compared to the tuition rate in effect during the 2016 spring semester unless the board receives prior budget section approval.
3. For purposes of this section, an institution must calculate a tuition rate increase based on the tuition rate paid by an average full-time student. Any adjustments to a tuition rate resulting from a change in an institution's method of charging tuition, including the addition of fees to tuition rates or charging tuition based on a per-credit rate, must be included in tuition rate calculations under this section.
4. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.
5. This section does not apply to tuition rates charged for programs offered through the university of North Dakota school of medicine and health sciences.

**SECTION 40. LEGISLATIVE MANAGEMENT REPORT - DICKINSON STATE UNIVERSITY.** Before July 1, 2016, the state board of higher education shall provide a report to the legislative management regarding the operations of Dickinson state university. The report must detail the financial condition of the institution and board directives and plans to improve the financial stability of the institution.

**SECTION 41. LEGISLATIVE INTENT - ATTORNEY SALARIES.** It is the intent of the sixty-fourth legislative assembly that all assistant attorneys general employed in the office of the attorney general, including attorneys assigned to higher education issues, be provided salary and benefits in accordance with uniform salary and benefits schedules established by the attorney general."

Page 35, after line 21, insert:

**"SECTION 47. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION ADMINISTRATION COSTS.** During the 2015-16 interim, the legislative management shall consider studying administrative costs at institutions under the control of the state board of higher education. The study, if conducted, must review the number of administrator positions at each institution, the number of new administrator positions added at each institution during the previous five academic years, the total salaries and benefits associated with the administrator positions, the average salaries and benefits for administrator positions at each institution for each of the previous five fiscal years, the percentage of overall institution operating costs attributable to administration, and options to provide future increased legislative appropriations to institutions specifically for instructional purposes. The legislative management shall report its findings, together with any legislation necessary to implement the findings, to the sixty-fifth legislative assembly."

Page 35, line 22, replace "10, 27, 35, and 36" with "9, 25, 28, 33, 34, and 37"

Page 35, line 23, remove "extraordinary repairs pool,"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1003 - Summary of Conference Committee Action

|                               | Base<br>Budget | House<br>Version | Conference<br>Committee<br>Changes | Conference<br>Committee<br>Version | Senate<br>Version | Comparison<br>to Senate |
|-------------------------------|----------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| State Auditor                 |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$0            | \$1,221,914      | (\$1,221,914)                      | \$0                                | \$0               | \$0                     |
| Less estimated income         | 0              | 0                | 0                                  | 0                                  | 0                 | 0                       |
| General fund                  | \$0            | \$1,221,914      | (\$1,221,914)                      | \$0                                | \$0               | \$0                     |
| Attorney General              |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$0            | \$1,604,500      | (\$467,506)                        | \$1,136,994                        | \$0               | \$1,136,994             |
| Less estimated income         | 0              | 0                | 0                                  | 0                                  | 0                 | 0                       |
| General fund                  | \$0            | \$1,604,500      | (\$467,506)                        | \$1,136,994                        | \$0               | \$1,136,994             |
| University System Office      |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$113,861,635  | \$142,312,417    | (\$6,702,332)                      | \$135,610,085                      | \$131,597,079     | \$4,013,006             |
| Less estimated income         | 2,299,912      | 2,011,216        | 500,000                            | 2,511,216                          | 2,511,216         | 0                       |
| General fund                  | \$111,561,723  | \$140,301,201    | (\$7,202,332)                      | \$133,098,869                      | \$129,085,863     | \$4,013,006             |
| Bismarck State College        |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$33,071,327   | \$37,987,006     | \$768,820                          | \$38,755,826                       | \$39,547,119      | (\$791,293)             |
| Less estimated income         | 0              | 0                | 600,000                            | 600,000                            | 600,000           | 0                       |
| General fund                  | \$33,071,327   | \$37,987,006     | \$168,820                          | \$38,155,826                       | \$38,947,119      | (\$791,293)             |
| Lake Region State College     |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$12,584,464   | \$15,274,092     | \$1,361,887                        | \$16,635,979                       | \$16,747,104      | (\$111,125)             |
| Less estimated income         | 0              | 0                | 0                                  | 0                                  | 0                 | 0                       |
| General fund                  | \$12,584,464   | \$15,274,092     | \$1,361,887                        | \$16,635,979                       | \$16,747,104      | (\$111,125)             |
| Williston State College       |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$12,981,307   | \$12,532,922     | \$215,343                          | \$12,748,265                       | \$13,109,251      | (\$360,986)             |
| Less estimated income         | 0              | 0                | 0                                  | 0                                  | 0                 | 0                       |
| General fund                  | \$12,981,307   | \$12,532,922     | \$215,343                          | \$12,748,265                       | \$13,109,251      | (\$360,986)             |
| University of North Dakota    |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$154,094,571  | \$223,998,846    | \$22,447,058                       | \$246,445,904                      | \$247,592,835     | (\$1,146,931)           |
| Less estimated income         | 0              | 0                | 6,000,000                          | 6,000,000                          | 6,000,000         | 0                       |
| General fund                  | \$154,094,571  | \$223,998,846    | \$16,447,058                       | \$240,445,904                      | \$241,592,835     | (\$1,146,931)           |
| UND Medical Center            |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$52,762,590   | \$72,274,239     | (\$836,843)                        | \$71,437,396                       | \$71,277,396      | \$160,000               |
| Less estimated income         | 0              | 0                | 0                                  | 0                                  | 0                 | 0                       |
| General fund                  | \$52,762,590   | \$72,274,239     | (\$836,843)                        | \$71,437,396                       | \$71,277,396      | \$160,000               |
| North Dakota State University |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$143,073,784  | \$152,478,383    | \$16,532,157                       | \$169,010,540                      | \$171,769,908     | (\$2,759,368)           |
| Less estimated income         | 0              | 0                | 11,600,000                         | 11,600,000                         | 11,600,000        | 0                       |
| General fund                  | \$143,073,784  | \$152,478,383    | \$4,932,157                        | \$157,410,540                      | \$160,169,908     | (\$2,759,368)           |
| State College of Science      |                |                  |                                    |                                    |                   |                         |
| Total all funds               | \$39,193,835   | \$41,968,479     | \$16,061,285                       | \$58,029,764                       | \$58,636,526      | (\$606,762)             |
| Less estimated income         | 0              | 0                | 0                                  | 0                                  | 0                 | 0                       |
| General fund                  | \$39,193,835   | \$41,968,479     | \$16,061,285                       | \$58,029,764                       | \$58,636,526      | (\$606,762)             |



|                              |               |               |               |               |               |                |
|------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Dickinson State University   |               |               |               |               |               |                |
| Total all funds              | \$26,708,305  | \$25,202,782  | \$3,813,149   | \$29,015,931  | \$27,210,270  | \$1,805,661    |
| Less estimated income        | 0             | 0             | 2,000,000     | 2,000,000     | 0             | 2,000,000      |
| General fund                 | \$26,708,305  | \$25,202,782  | \$1,813,149   | \$27,015,931  | \$27,210,270  | (\$194,339)    |
| Mayville State University    |               |               |               |               |               |                |
| Total all funds              | \$14,723,416  | \$15,216,363  | \$1,522,782   | \$16,739,145  | \$17,091,518  | (\$352,373)    |
| Less estimated income        | 0             | 0             | 0             | 0             | 0             | 0              |
| General fund                 | \$14,723,416  | \$15,216,363  | \$1,522,782   | \$16,739,145  | \$17,091,518  | (\$352,373)    |
| Minot State University       |               |               |               |               |               |                |
| Total all funds              | \$44,709,831  | \$46,790,745  | \$1,967,436   | \$48,758,181  | \$48,003,230  | \$754,951      |
| Less estimated income        | 0             | 0             | 0             | 0             | 0             | 0              |
| General fund                 | \$44,709,831  | \$46,790,745  | \$1,967,436   | \$48,758,181  | \$48,003,230  | \$754,951      |
| Valley City State University |               |               |               |               |               |                |
| Total all funds              | \$21,099,454  | \$22,149,777  | \$33,608,891  | \$55,758,668  | \$82,040,712  | (\$26,282,044) |
| Less estimated income        | 0             | 0             | 16,000,000    | 16,000,000    | 16,000,000    | 0              |
| General fund                 | \$21,099,454  | \$22,149,777  | \$17,608,891  | \$39,758,668  | \$66,040,712  | (\$26,282,044) |
| Dakota College at Bottineau  |               |               |               |               |               |                |
| Total all funds              | \$8,006,050   | \$7,901,679   | \$12,548,920  | \$20,450,599  | \$20,543,589  | (\$92,990)     |
| Less estimated income        | 0             | 0             | 10,648,194    | 10,648,194    | 10,648,194    | 0              |
| General fund                 | \$8,006,050   | \$7,901,679   | \$1,900,726   | \$9,802,405   | \$9,895,395   | (\$92,990)     |
| Forest Service               |               |               |               |               |               |                |
| Total all funds              | \$6,351,189   | \$6,633,209   | \$24,635      | \$6,657,844   | \$6,657,844   | \$0            |
| Less estimated income        | 1,650,000     | 1,650,000     | 0             | 1,650,000     | 1,650,000     | 0              |
| General fund                 | \$4,701,189   | \$4,983,209   | \$24,635      | \$5,007,844   | \$5,007,844   | \$0            |
| Bill total                   |               |               |               |               |               |                |
| Total all funds              | \$683,221,758 | \$825,547,353 | \$101,643,768 | \$927,191,121 | \$951,824,381 | (\$24,633,260) |
| Less estimated income        | 3,949,912     | 3,661,216     | 47,348,194    | 51,009,410    | 49,009,410    | 2,000,000      |
| General fund                 | \$679,271,846 | \$821,886,137 | \$54,295,574  | \$876,181,711 | \$902,814,971 | (\$26,633,260) |

### House Bill No. 1003 - State Auditor - Conference Committee Action

|                        | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|-------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Higher education audit |             | \$1,221,914   | (\$1,221,914)                |                              |                |                      |
| Total all funds        | \$0         | \$1,221,914   | (\$1,221,914)                | \$0                          | \$0            | \$0                  |
| Less estimated income  | 0           | 0             | 0                            | 0                            | 0              | 0                    |
| General fund           | \$0         | \$1,221,914   | (\$1,221,914)                | \$0                          | \$0            | \$0                  |
| FTE                    | 0.00        | 6.00          | (6.00)                       | 0.00                         | 0.00           | 0.00                 |

### Department No. 117 - State Auditor - Detail of Conference Committee Changes

|                        | Removes Higher Education Audit Positions <sup>1</sup> | Total Conference Committee Changes |
|------------------------|-------------------------------------------------------|------------------------------------|
| Higher education audit | (\$1,221,914)                                         | (\$1,221,914)                      |
| Total all funds        | (\$1,221,914)                                         | (\$1,221,914)                      |
| Less estimated income  | 0                                                     | 0                                  |
| General fund           | (\$1,221,914)                                         | (\$1,221,914)                      |
| FTE                    | (6.00)                                                | (6.00)                             |

<sup>1</sup> Funding and 6 higher education audit FTE positions added by the House to the State Auditor's office are removed. The Senate also removed the positions.

### House Bill No. 1003 - Attorney General - Conference Committee Action

|                                  | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|----------------------------------|-------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Higher education legal services  |             | \$1,604,500   | (\$1,604,500)                |                              |                |                      |
| Intellectual property attorney   |             |               | 436,994                      | 436,994                      |                | 436,994              |
| Higher education legal contracts |             |               | 700,000                      | 700,000                      |                | 700,000              |
|                                  | \$0         | \$1,604,500   | (\$467,506)                  | \$1,136,994                  | \$0            | \$1,136,994          |

|                       |      |             |             |             |      |             |
|-----------------------|------|-------------|-------------|-------------|------|-------------|
| Total all funds       |      |             |             |             |      |             |
| Less estimated income | 0    | 0           | 0           | 0           | 0    | 0           |
| General fund          | \$0  | \$1,604,500 | (\$467,506) | \$1,136,994 | \$0  | \$1,136,994 |
| FTE                   | 0.00 | 6.00        | (5.00)      | 1.00        | 0.00 | 1.00        |

### Department No. 125 - Attorney General - Detail of Conference Committee Changes

|                                  | Removes<br>Higher<br>Education<br>Legal Services<br>Positions <sup>1</sup> | Transfers<br>Intellectual<br>Property<br>Attorney <sup>2</sup> | Adds Funding<br>to Continue<br>Current Higher<br>Education<br>Litigation <sup>3</sup> | Total<br>Conference<br>Committee<br>Changes |
|----------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------|
| Higher education legal services  | (\$1,604,500)                                                              |                                                                |                                                                                       | (\$1,604,500)                               |
| Intellectual property attorney   |                                                                            | 436,994                                                        |                                                                                       | 436,994                                     |
| Higher education legal contracts |                                                                            |                                                                | 700,000                                                                               | 700,000                                     |
| Total all funds                  | (\$1,604,500)                                                              | \$436,994                                                      | \$700,000                                                                             | (\$467,506)                                 |
| Less estimated income            | 0                                                                          | 0                                                              | 0                                                                                     | 0                                           |
| General fund                     | (\$1,604,500)                                                              | \$436,994                                                      | \$700,000                                                                             | (\$467,506)                                 |
| FTE                              | (6.00)                                                                     | 1.00                                                           | 0.00                                                                                  | (5.00)                                      |

<sup>1</sup> Funding and 6 higher education legal services FTE positions added by the House to the Attorney General's office are removed. The Senate also removed the positions.

<sup>2</sup> One FTE intellectual property attorney currently employed by the North Dakota University System Office and related funding is transferred to the Attorney General's office.

<sup>3</sup> One-time funding of \$700,000 is added to the Attorney General's office to continue contracts and other outside services for higher education litigation purposes.

### House Bill No. 1003 - North Dakota University System - General Fund Summary

|                               | Base<br>Budget | House<br>Version | Conference<br>Committee<br>Changes | Conference<br>Committee<br>Version | Senate<br>Version | Comparison<br>to Senate |
|-------------------------------|----------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| University System Office      | 111,561,723    | 140,301,201      | (7,202,332)                        | 133,098,869                        | 129,085,863       | 4,013,006               |
| Bismarck State College        | 33,071,327     | 37,987,006       | 168,820                            | 38,155,826                         | 38,947,119        | (791,293)               |
| Lake Region State College     | 12,584,464     | 15,274,092       | 1,361,887                          | 16,635,979                         | 16,747,104        | (111,125)               |
| Williston State College       | 12,981,307     | 12,532,922       | 215,343                            | 12,748,265                         | 13,109,251        | (360,986)               |
| University of North Dakota    | 154,094,571    | 223,998,846      | 16,447,058                         | 240,445,904                        | 241,592,835       | (1,146,931)             |
| UND Medical Center            | 52,762,590     | 72,274,239       | (836,843)                          | 71,437,396                         | 71,277,396        | 160,000                 |
| North Dakota State University | 143,073,784    | 152,478,383      | 4,932,157                          | 157,410,540                        | 160,169,908       | (2,759,368)             |
| State College of Science      | 39,193,835     | 41,968,479       | 16,061,285                         | 58,029,764                         | 58,636,526        | (606,762)               |
| Dickinson State University    | 26,708,305     | 25,202,782       | 1,813,149                          | 27,015,931                         | 27,210,270        | (194,339)               |
| Mayville State University     | 14,723,416     | 15,216,363       | 1,522,782                          | 16,739,145                         | 17,091,518        | (352,373)               |
| Minot State University        | 44,709,831     | 46,790,745       | 1,967,436                          | 48,758,181                         | 48,003,230        | 754,951                 |
| Valley City State University  | 21,099,454     | 22,149,777       | 17,608,891                         | 39,758,668                         | 66,040,712        | (26,282,044)            |
| Dakota College at Bottineau   | 8,006,050      | 7,901,679        | 1,900,726                          | 9,802,405                          | 9,895,395         | (92,990)                |
| Forest Service                | 4,701,189      | 4,983,209        | 24,635                             | 5,007,844                          | 5,007,844         |                         |
| Total general fund            | \$679,271,846  | \$819,059,723    | \$55,984,994                       | \$875,044,717                      | \$902,814,971     | (\$27,770,254)          |

### Detail of Conference Committee changes to the General Fund

|                               | Adjusts<br>University<br>System Office<br>and Institution<br>Funding <sup>1</sup> | Removes House<br>Funding<br>Formula and<br>Base Funding<br>Adjustments <sup>2</sup> | Provides<br>Funding<br>Formula<br>Adjustments<br>and Base Credit<br>Rate<br>Adjustments <sup>3</sup> | Transfers<br>Extraordinary<br>Repairs Funding<br>to Institutions <sup>4</sup> | Adjusts Funding<br>for Deferred<br>Maintenance<br>Initiative <sup>5</sup> | Adds Funding<br>for Capital<br>Projects <sup>6</sup> |
|-------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------|
| University System Office      | \$259,676                                                                         |                                                                                     |                                                                                                      | (\$11,162,008)                                                                | \$3,700,000                                                               |                                                      |
| Bismarck State College        |                                                                                   | (3,975,752)                                                                         | 3,509,499                                                                                            | 417,673                                                                       | 217,400                                                                   |                                                      |
| Lake Region State College     |                                                                                   | (2,844,995)                                                                         | 2,403,092                                                                                            | 155,367                                                                       | 1,648,423                                                                 |                                                      |
| Williston State College       |                                                                                   | 535,584                                                                             | (233,042)                                                                                            | 197,801                                                                       | (285,000)                                                                 |                                                      |
| University of North Dakota    | 760,000                                                                           | (12,074,256)                                                                        | 17,591,333                                                                                           | 4,411,566                                                                     | 5,758,415                                                                 |                                                      |
| UND Medical Center            | 160,000                                                                           | (996,843)                                                                           |                                                                                                      |                                                                               |                                                                           |                                                      |
| North Dakota State University |                                                                                   | (10,545,417)                                                                        | 14,336,756                                                                                           | 2,732,244                                                                     | (1,591,426)                                                               |                                                      |
| State College of Science      |                                                                                   | (3,511,925)                                                                         | 5,537,929                                                                                            | 1,012,379                                                                     | 13,022,902                                                                |                                                      |
| Dickinson State University    | 800,000                                                                           | 1,096,445                                                                           | (492,374)                                                                                            | 409,078                                                                       |                                                                           |                                                      |
| Mayville State University     |                                                                                   | (623,654)                                                                           | 2,015,729                                                                                            | 358,992                                                                       | (228,285)                                                                 |                                                      |
| Minot State University        |                                                                                   | (2,980,534)                                                                         | 4,048,350                                                                                            | 899,620                                                                       |                                                                           |                                                      |
| Valley City State University  |                                                                                   | (1,215,404)                                                                         | 4,370,214                                                                                            | 408,319                                                                       | 14,045,762                                                                |                                                      |

|                             |             |                |              |         |              |     |
|-----------------------------|-------------|----------------|--------------|---------|--------------|-----|
| Dakota College at Bottineau |             | 18,821         | 697,566      | 114,007 | 1,070,332    |     |
| Forest Service              | (20,327)    |                |              | 44,962  |              |     |
| Total general fund          | \$1,959,349 | (\$37,117,930) | \$53,785,052 | \$0     | \$37,358,523 | \$0 |

|                               |                                   |
|-------------------------------|-----------------------------------|
|                               | <b>Total General Fund Changes</b> |
| University System Office      | (\$7,202,332)                     |
| Bismarck State College        | 168,820                           |
| Lake Region State College     | 1,361,887                         |
| Williston State College       | 215,343                           |
| University of North Dakota    | 16,447,058                        |
| UND Medical Center            | (836,843)                         |
| North Dakota State University | 4,932,157                         |
| State College of Science      | 16,061,285                        |
| Dickinson State University    | 1,813,149                         |
| Mayville State University     | 1,522,782                         |
| Minot State University        | 1,967,436                         |
| Valley City State University  | 17,608,891                        |
| Dakota College at Bottineau   | 1,900,726                         |
| Forest Service                | 24,635                            |
| Total general fund            | \$55,984,994                      |

### House Bill No. 1003 - North Dakota University System - Other Funds Summary

|                               | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-------------------------------|-------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| University System Office      | 2,299,912   | 2,011,216     | 500,000                      | 2,511,216                    | 2,511,216      |                      |
| Bismarck State College        |             |               | 600,000                      | 600,000                      | 600,000        |                      |
| Lake Region State College     |             |               |                              |                              |                |                      |
| Williston State College       |             |               |                              |                              |                |                      |
| University of North Dakota    |             |               | 6,000,000                    | 6,000,000                    | 6,000,000      |                      |
| UND Medical Center            |             |               |                              |                              |                |                      |
| North Dakota State University |             |               | 11,600,000                   | 11,600,000                   | 11,600,000     |                      |
| State College of Science      |             |               |                              |                              |                |                      |
| Dickinson State University    |             |               | 2,000,000                    | 2,000,000                    |                | 2,000,000            |
| Mayville State University     |             |               |                              |                              |                |                      |
| Minot State University        |             |               |                              |                              |                |                      |
| Valley City State University  |             |               | 16,000,000                   | 16,000,000                   | 16,000,000     |                      |
| Dakota College at Bottineau   |             |               | 10,648,194                   | 10,648,194                   | 10,648,194     |                      |
| Forest Service                | 1,650,000   | 1,650,000     |                              | 1,650,000                    | 1,650,000      |                      |
| Total other funds             | \$3,949,912 | \$3,661,216   | \$47,348,194                 | \$51,009,410                 | \$49,009,410   | \$2,000,000          |

### Detail of Conference Committee changes to Other Funds

|                               | Adjusts University System Office and Institution Funding <sup>1</sup> | Removes House Funding Formula and Base Funding Adjustments <sup>2</sup> | Provides Funding Formula Adjustments and Base Credit Rate Adjustments <sup>3</sup> | Transfers Extraordinary Repairs Funding to Institutions <sup>4</sup> | Adjusts Funding for Deferred Maintenance Initiative <sup>5</sup> | Adds Funding for Capital Projects <sup>6</sup> |
|-------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------|
| University System Office      | \$500,000                                                             |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Bismarck State College        |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  | 600,000                                        |
| Lake Region State College     |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Williston State College       |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| University of North Dakota    |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  | 6,000,000                                      |
| UND Medical Center            |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| North Dakota State University |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  | 11,600,000                                     |
| State College of Science      |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Dickinson State University    | 2,000,000                                                             |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Mayville State University     |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Minot State University        |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Valley City State University  |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  | 16,000,000                                     |
| Dakota College at Bottineau   |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  | 10,648,194                                     |
| Forest Service                |                                                                       |                                                                         |                                                                                    |                                                                      |                                                                  |                                                |
| Total other funds             | \$2,500,000                                                           | \$0                                                                     | \$0                                                                                | \$0                                                                  | \$0                                                              | \$44,848,194                                   |

|                               |                                  |
|-------------------------------|----------------------------------|
|                               | <b>Total Other Funds Changes</b> |
| University System Office      | \$500,000                        |
| Bismarck State College        | 600,000                          |
| Lake Region State College     |                                  |
| Williston State College       |                                  |
| University of North Dakota    | 6,000,000                        |
| UND Medical Center            |                                  |
| North Dakota State University | 11,600,000                       |
| State College of Science      |                                  |

|                              |              |
|------------------------------|--------------|
| Dickinson State University   | 2,000,000    |
| Mayville State University    |              |
| Minot State University       |              |
| Valley City State University | 16,000,000   |
| Dakota College at Bottineau  | 10,648,194   |
| Forest Service               |              |
| Total other funds            | \$47,348,194 |

### House Bill No. 1003 - North Dakota University System - All Funds Summary

|                               | Base<br>Budget | House<br>Version | Conference<br>Committee<br>Changes | Conference<br>Committee<br>Version | Senate<br>Version | Comparison<br>to Senate |
|-------------------------------|----------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| University System Office      | 113,861,635    | 142,312,417      | (6,702,332)                        | 135,610,085                        | 131,597,079       | 4,013,006               |
| Bismarck State College        | 33,071,327     | 37,987,006       | 768,820                            | 38,755,826                         | 39,547,119        | (791,293)               |
| Lake Region State College     | 12,584,464     | 15,274,092       | 1,361,887                          | 16,635,979                         | 16,747,104        | (111,125)               |
| Williston State College       | 12,981,307     | 12,532,922       | 215,343                            | 12,748,265                         | 13,109,251        | (360,986)               |
| University of North Dakota    | 154,094,571    | 223,998,846      | 22,447,058                         | 246,445,904                        | 247,592,835       | (1,146,931)             |
| UND Medical Center            | 52,762,590     | 72,274,239       | (836,843)                          | 71,437,396                         | 71,277,396        | 160,000                 |
| North Dakota State University | 143,073,784    | 152,478,383      | 16,532,157                         | 169,010,540                        | 171,769,908       | (2,759,368)             |
| State College of Science      | 39,193,835     | 41,968,479       | 16,061,285                         | 58,029,764                         | 58,636,526        | (606,762)               |
| Dickinson State University    | 26,708,305     | 25,202,782       | 3,813,149                          | 29,015,931                         | 27,210,270        | 1,805,661               |
| Mayville State University     | 14,723,416     | 15,216,363       | 1,522,782                          | 16,739,145                         | 17,091,518        | (352,373)               |
| Minot State University        | 44,709,831     | 46,790,745       | 1,967,436                          | 48,758,181                         | 48,003,230        | 754,951                 |
| Valley City State University  | 21,099,454     | 22,149,777       | 33,608,891                         | 55,758,668                         | 82,040,712        | (26,282,044)            |
| Dakota College at Bottineau   | 8,006,050      | 7,901,679        | 12,548,920                         | 20,450,599                         | 20,543,589        | (92,990)                |
| Forest Service                | 6,351,189      | 6,633,209        | 24,635                             | 6,657,844                          | 6,657,844         |                         |
| Total all funds               | \$683,221,758  | \$822,720,939    | \$103,333,188                      | \$926,054,127                      | \$951,824,381     | (\$25,770,254)          |
| FTE                           | 2304.74        | 2422.35          | 8.00                               | 2430.35                            | 2430.35           | 0.00                    |

### Detail of Conference Committee changes to All Funds

|                               | Adjusts<br>University<br>System Office<br>and Institution<br>Funding <sup>1</sup> | Removes House<br>Funding<br>Formula and<br>Base Funding<br>Adjustments <sup>2</sup> | Provides<br>Funding<br>Formula<br>Adjustments<br>and Base Credit<br>Rate<br>Adjustments <sup>3</sup> | Transfers<br>Extraordinary<br>Repairs Funding<br>to Institutions <sup>4</sup> | Adjusts Funding<br>for Deferred<br>Maintenance<br>Initiative <sup>5</sup> | Adds Funding<br>for Capital<br>Projects <sup>6</sup> |
|-------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------|
| University System Office      | \$759,676                                                                         |                                                                                     |                                                                                                      | (\$11,162,008)                                                                | \$3,700,000                                                               |                                                      |
| Bismarck State College        |                                                                                   | (3,975,752)                                                                         | 3,509,499                                                                                            | 417,673                                                                       | 217,400                                                                   | 600,000                                              |
| Lake Region State College     |                                                                                   | (2,844,995)                                                                         | 2,403,092                                                                                            | 155,367                                                                       | 1,648,423                                                                 |                                                      |
| Williston State College       |                                                                                   | 535,584                                                                             | (233,042)                                                                                            | 197,801                                                                       | (285,000)                                                                 |                                                      |
| University of North Dakota    | 760,000                                                                           | (12,074,256)                                                                        | 17,591,333                                                                                           | 4,411,566                                                                     | 5,758,415                                                                 | 6,000,000                                            |
| UND Medical Center            | 160,000                                                                           | (996,843)                                                                           |                                                                                                      |                                                                               |                                                                           |                                                      |
| North Dakota State University |                                                                                   | (10,545,417)                                                                        | 14,336,756                                                                                           | 2,732,244                                                                     | (1,591,426)                                                               | 11,600,000                                           |
| State College of Science      |                                                                                   | (3,511,925)                                                                         | 5,537,929                                                                                            | 1,012,379                                                                     | 13,022,902                                                                |                                                      |
| Dickinson State University    | 2,800,000                                                                         | 1,096,445                                                                           | (492,374)                                                                                            | 409,078                                                                       |                                                                           |                                                      |
| Mayville State University     |                                                                                   | (623,654)                                                                           | 2,015,729                                                                                            | 358,992                                                                       | (228,285)                                                                 |                                                      |
| Minot State University        |                                                                                   | (2,980,534)                                                                         | 4,048,350                                                                                            | 899,620                                                                       |                                                                           |                                                      |
| Valley City State University  |                                                                                   | (1,215,404)                                                                         | 4,370,214                                                                                            | 408,319                                                                       | 14,045,762                                                                | 16,000,000                                           |
| Dakota College at Bottineau   |                                                                                   | 18,821                                                                              | 697,566                                                                                              | 114,007                                                                       | 1,070,332                                                                 | 10,648,194                                           |
| Forest Service                | (20,327)                                                                          |                                                                                     |                                                                                                      | 44,962                                                                        |                                                                           |                                                      |
| Total all funds               | \$4,459,349                                                                       | (\$37,117,930)                                                                      | \$53,785,052                                                                                         | \$0                                                                           | \$37,358,523                                                              | \$44,848,194                                         |
| FTE                           | 8.00                                                                              | 0.00                                                                                | 0.00                                                                                                 | 0.00                                                                          | 0.00                                                                      | 0.00                                                 |

|                               | Total All Funds<br>Changes |
|-------------------------------|----------------------------|
| University System Office      | (\$6,702,332)              |
| Bismarck State College        | 768,820                    |
| Lake Region State College     | 1,361,887                  |
| Williston State College       | 215,343                    |
| University of North Dakota    | 22,447,058                 |
| UND Medical Center            | (836,843)                  |
| North Dakota State University | 16,532,157                 |
| State College of Science      | 16,061,285                 |
| Dickinson State University    | 3,813,149                  |
| Mayville State University     | 1,522,782                  |
| Minot State University        | 1,967,436                  |
| Valley City State University  | 33,608,891                 |
| Dakota College at Bottineau   | 12,548,920                 |
| Forest Service                | 24,635                     |
| Total all funds               | \$103,333,188              |
| FTE                           | 8.00                       |

<sup>1</sup> Funding is adjusted for the University System office, institutions, and the Forest Service as follows:

- University System office funding from the general fund is adjusted as follows:

|                                                                                                                                | <u>General Fund</u> |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Health insurance adjustment for system office employees                                                                        | (\$24,782)          |
| Health insurance adjustment for Core Technology Services employees                                                             | (72,566)            |
| Internal audit funding pool                                                                                                    | 300,000             |
| Adjust funding for academic and career and technical education scholarship program to provide scholarships of \$1,500 per year | (942,976)           |
| Total                                                                                                                          | <u>(\$740,324)</u>  |

- A contingent general fund appropriation of \$1 million is added for University System office transition costs. The appropriation is contingent upon the State Board of Higher Education receiving Budget Section approval to spend the funds.
- Funding of \$500,000 from the student loan trust fund is added for tribal college assistance grants to provide total funding of \$1 million. The Senate also added this funding.
- Funding of \$160,000 is added to the University of North Dakota School of Medicine and Health Sciences for Department of Pathology services provided to other state agencies.
- One-time funding from the general fund of \$800,000 is added for document digitization and operations of the Theodore Roosevelt Center at Dickinson State University. The Senate also added this funding.
- One-time funding of \$2 million is added from the student loan trust fund for transitional leadership costs at Dickinson State University.
- Funding of \$2.5 million from the general fund provided by the House to Williston State College for extraordinary campus needs is classified as one-time funding. The Senate also classified the funding as one-time.
- One-time funding of \$760,000 from the general fund is added for maintenance and repairs to the North Dakota Museum of Art facility.
- Health insurance premium funding for the Forest Service is adjusted to reflect revised premium rates.
- The 2013-15 biennium FTE positions for the University System office are adjusted pursuant to Section 36 of 2013 Senate Bill No. 2003 which authorizes the State Board of Higher Education to adjust FTE positions as needed subject to the availability of funds.

<sup>2</sup> Adjustments made by the House for base level funding are removed as follows:

|                               |                       |
|-------------------------------|-----------------------|
| Bismarck State College        | (\$3,975,752)         |
| Lake Region State College     | (2,844,995)           |
| Williston State College       | 535,584               |
| University of North Dakota    | (12,074,256)          |
| UND Medical Center            | (996,843)             |
| North Dakota State University | (10,545,417)          |
| State College of Science      | (3,511,925)           |
| Dickinson State University    | 1,096,445             |
| Mayville State University     | (623,654)             |
| Minot State University        | (2,980,534)           |
| Valley City State University  | (1,215,404)           |
| Dakota College at Bottineau   | 18,821                |
| Total                         | <u>(\$37,117,930)</u> |

<sup>3</sup> Funding is added to institutions through higher education funding formula adjustments and base credit rate adjustments as follows:

|                           | <u>Base Funding<br/>Formula<br/>Adjustments</u> | <u>Base Credit Rate<br/>Adjustments</u> | <u>Total</u> |
|---------------------------|-------------------------------------------------|-----------------------------------------|--------------|
| Bismarck State College    | \$2,700,606                                     | \$808,893                               | \$3,509,499  |
| Lake Region State College | 2,071,680                                       | 331,412                                 | 2,403,092    |

|                               |              |              |              |
|-------------------------------|--------------|--------------|--------------|
| Williston State College       | (459,657)    | 226,615      | (233,042)    |
| University of North Dakota    | 12,628,220   | 4,963,113    | 17,591,333   |
| North Dakota State University | 10,856,018   | 3,480,738    | 14,336,756   |
| State College of Science      | 4,548,799    | 989,130      | 5,537,929    |
| Dickinson State University    | (1,072,073)  | 579,699      | (492,374)    |
| Mayville State University     | 1,645,585    | 370,144      | 2,015,729    |
| Minot State University        | 2,970,186    | 1,078,164    | 4,048,350    |
| Valley City State University  | 3,807,016    | 563,198      | 4,370,214    |
| Dakota College at Bottineau   | 505,107      | 192,459      | 697,566      |
| Total                         | \$40,201,487 | \$13,583,565 | \$53,785,052 |

Funding for Minot State University is adjusted to discontinue \$2.5 million of flood recovery funding. Sections in the bill are also amended to provide for a remedial education weighting factor of 2.3 instead of 1.0 and to adjust the credit volume production factor levels.

The Senate version provided \$38.3 million for base formula adjustments and \$18 million for base credit rate adjustments. Both the House and Senate versions discontinued \$2.5 million of flood recovery funding for Minot State University.

<sup>4</sup> Funding is transferred from the University System office extraordinary repairs funding pool to institutions and entities under its control. The House transferred the funding from the institutions and entities to the University System office for the funding pool and the Senate transferred the funds back to the institutions and entities.

<sup>5</sup> Funding is adjusted for a deferred maintenance initiative as follows:

- Funding for special assessment payoffs at campuses is reallocated for deferred maintenance needs.
- Funding is added for the following major capital projects to address campus deferred maintenance:

| Project                                                                         | General Fund |
|---------------------------------------------------------------------------------|--------------|
| Bismarck State College - Campus infrastructure                                  | \$1,575,000  |
| Lake Region State College - Switchgear, electrical services, window replacement | 1,648,423    |
| University of North Dakota - Airport apron project                              | 6,000,000    |
| State College of Science - Infrastructure repairs                               | 13,298,000   |
| Valley City State University - Heating plant                                    | 14,289,000   |
| Dakota College at Bottineau - Nelson Science Center renovation                  | 1,098,789    |
| Total                                                                           | \$37,909,212 |

- Funding is added to the University System deferred maintenance funding pool to be allocated to eligible campuses for deferred maintenance projects. The funding pool is increased to \$8.7 million from the House and Senate versions which provided \$5 million.
- A portion of funding from a 2013-15 biennium appropriation for a system performance funding pool is reallocated for deferred maintenance and other campus needs at institutions affected by energy development.
- The following is a summary of funding adjustments for the deferred maintenance initiative:

|                            | Remove Special Assessments | Major Deferred Maintenance Projects | Deferred Maintenance Pool Grants | Deferred Maintenance and Extraordinary Needs | Total     |
|----------------------------|----------------------------|-------------------------------------|----------------------------------|----------------------------------------------|-----------|
| Bismarck State College     | (\$1,357,600)              | \$1,575,000                         | \$700,000                        |                                              | \$917,400 |
| Lake Region State College  |                            | 1,648,423                           | 500,000                          |                                              | 2,148,423 |
| Williston State College    | (285,000)                  |                                     |                                  | 1,500,000                                    | 1,215,000 |
| University of North Dakota | (241,585)                  | 6,000,000                           | 3,500,000                        |                                              | 9,258,415 |

|                               |               |              |             |             |              |
|-------------------------------|---------------|--------------|-------------|-------------|--------------|
| UND Medical Center            |               |              |             |             | 0            |
| North Dakota State University | (1,591,426)   |              | 3,500,000   |             | 1,908,574    |
| State College of Science      | (275,098)     | 13,298,000   |             |             | 13,022,902   |
| Dickinson State University    |               |              |             | 1,500,000   | 1,500,000    |
| Mayville State University     | (228,285)     |              | 500,000     |             | 271,715      |
| Minot State University        |               |              |             | 500,000     | 500,000      |
| Valley City State University  | (243,238)     | 14,289,000   |             |             | 14,045,762   |
| Dakota College at Bottineau   | (28,457)      | 1,098,789    |             | 500,000     | 1,570,332    |
| Total                         | (\$4,250,689) | \$37,909,212 | \$8,700,000 | \$4,000,000 | \$46,358,523 |

- The deferred maintenance initiative also provides for institutions to reallocate funds to provide \$2 of matching funding for every \$1 of extraordinary repairs base funding used.

<sup>6</sup> Funding is added for the following major capital projects:

| Project                                                                           | Other Funds  |
|-----------------------------------------------------------------------------------|--------------|
| Bismarck State College - Student Union lower level renovation                     | \$600,000    |
| University of North Dakota - Student engagement projects                          | 6,000,000    |
| North Dakota State University - Aquatic center (\$10 million of revenue bonds)    | 11,000,000   |
| North Dakota State University - Minard Hall                                       | 600,000      |
| Valley City State University - Health and wellness facility                       | 16,000,000   |
| Dakota College at Bottineau - Allied Health and Wellness Center                   | 6,864,118    |
| Dakota College at Bottineau - Dormitory upgrades (\$2.9 million of revenue bonds) | 3,784,076    |
| Total                                                                             | \$44,848,194 |

The conference committee amendments do not adjust the House and Senate versions which provide \$62 million from the general fund for Phase II of the University of North Dakota School of Medicine and Health Sciences facility project.

### House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Removes Section 6 regarding legislative approval of campus capital projects. The Senate also removed this section.
- Removes Section 7 regarding the authority of the State Board of Higher Education to set tuition rates at institutions under its control. The Senate also removed this section.
- Removes Section 8 which would require a maintenance reserve account to be established for certain new capital projects. The Senate also removed this section.
- Adjusts Section 9 regarding the hosting of information technology services.
- Removes Section 20 which adjusts the academic and career and technical scholarship award amount. The Senate also removed this section.
- Removes Section 21 regarding higher education audits. The Senate also removed this section.
- Adjusts Section 22 to clarify the status of higher education attorneys employed by the Attorney General as it relates to federal education privacy laws.
- Adjusts Section 27 regarding distributions from systemwide funding pools.
- Amends Section 35 to allow the University System to continue \$4 million of funds from the 2013-15 biennium performance funding pool and authorizes the transfer of the funds to institutions affected by energy development.
- Amends Section 36 to remove the requirement for the State Board of Higher Education to provide a grant for civics education. The Senate also made this amendment.
- Removes Section 37 regarding reimbursement to State Fleet Services for motorcoaches. The Senate also removed this section.
- Removes Section 38 regarding comprehensive evaluations of certain University System employees. The Senate also removed this section.
- Adds a section regarding employee severance payments. The Senate also added

this section.

- Adds a section to clarify that the State Board of Higher Education may conduct internal audits. The Senate also added this section.
- Adds a section to authorize the State Board of Higher Education to adjust FTE positions at institutions and entities under its control. The House removed this section and the Senate added it back.
- Adds a section to authorize the issuance of revenue bonds for projects at Dakota College at Bottineau and North Dakota State University. The Senate also added this section.
- Adds a section to limit tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval. The Senate also added this section.
- Adds a section to provide for a report from the State Board of Higher Education to the Legislative Management regarding the financial conditions of Dickinson State University. The Senate also added this section.
- Adds a Legislative Management study of institution administration costs. The Senate also added this study.
- Adds a section of legislative intent regarding salaries of higher education attorneys employed by the Attorney General.
- Adds contingent general fund appropriations for the Valley City State University Fine Arts building project and the North Dakota State University Dunbar Hall project. The appropriations are contingent on actual general fund revenues exceeding legislative estimates by specified amounts during the 2015-17 biennium.
- Adds a section to cancel 2013-15 biennium appropriations for the Dickinson State University Theodore Roosevelt Center unless the institution certifies to the Office of Management and Budget that project will commence prior to January 1, 2017.
- Makes various technical adjustments.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

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

**Jane Schaible, Secretary**