

JOURNAL OF THE HOUSE

Sixty-fifth Legislative Assembly

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Bismarck, April 27, 2017

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

The prayer was offered by Rep. Jon Nelson, District 14.

The roll was called and all members were present except Representatives Rick C. Becker, Boehning, Guggisberg, Marschall, Mitskog, M. Nelson, and Trottier.

A quorum was declared by the Speaker.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Klemm, Chairman)** has carefully examined the Journal of the Twentieth, Forty-second, Forty-eighth, Fifty-fifth, Seventy-second, Seventy-third, Seventy-fifth, and Seventy-sixth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 317, line 6, replace "Graig" with "Craig"

Page 897, line 16, remove "."

Page 903, line 44, remove " and amended"

Page 991, lines 18 and 20, remove ", as amended,"

Page 1131, line 19, remove " and the emergency clause was declared carried"

Page 1160, line 22, remove " and the emergency clause carried"

Page 1576, line 6, replace "Monson" with "Streyle"

Page 1818, line 15, replace " Schmidt, Streyle" with " Streyle, Schmidt"

Page 1836, line 41, replace "Grabinger" with "G. Lee" and "G. Lee" with "Grabinger"

Page 1882, line 44, replace "SEAKER" with "SPEAKER"

Page 1905, line 4, replace "Boe" with "Hogan"

Page 1974, line 3, replace "Oehlke" with "Krebsback"

Page 1978, line 47, replace "Engrossed" with "Reengrossed"

REP. KLEMM MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Hogue, Dever, Mathern and Reps. Brandenburg, Kempenich, Brabandt) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1271-1272, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1271 and 1272 of the House Journal and pages 1028-1030 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide a statement of legislative intent; and to provide an exemption"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$312,475)	\$3,422,574
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	0	265,928	265,928
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00"

Page 1, line 18, replace "\$50,086" with "\$46,457"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Page 2, after line 11, insert:

"SECTION 5. LEGISLATIVE INTENT - GOVERNOR'S SALARY - EXEMPTION. It is the intent of the sixty-fifth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2017, and ending June 30, 2019. If the governor chooses to not accept the salary or any portion of the salary for the governor pursuant to section 54-07-04, section 54-07-04 does not apply and the related funding included in the governor's salary line item in section 1 of this Act may not be spent and must be canceled pursuant to section 54-44.1-11 at the end of the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,735,049	\$3,542,131	(\$119,557)	\$3,422,574	\$3,688,502	(\$265,928)
Operating expenses	343,710	298,456		298,456	298,456	
Contingencies	5,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary			265,928	265,928		265,928
Total all funds	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
FTE	18.00	17.00	1.00	18.00	18.00	0.00

Department No. 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores 1 FTE Position ²	Provides Separate Line Item for Governor's Salary ³	Total Conference Committee Changes
Salaries and wages	(\$3,629)	\$150,000	(\$265,928)	(\$119,557)
Operating expenses				
Contingencies				
Rough Rider Awards				
Governor's salary			265,928	265,928
Total all funds	(\$3,629)	\$150,000	\$0	\$146,371
Less estimated income	0	0	0	0
General fund	(\$3,629)	\$150,000	\$0	\$146,371
FTE	0.00	1.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount

of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate. The Senate also made these adjustments.

² One FTE position and related funding removed by the House is restored, the same as the Senate.

³ Funding for the salary of the Governor is transferred to a separate line item. A section is added relating to the Governor's salary designated in statute. Funding for the fringe benefits of the Governor remains in the salaries and wages line item.

Provisions included in the Senate version for the Governor to receive an annual salary of \$1 are not included in the Conference Committee version.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

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

SECOND READING OF HOUSE BILL

HB 1001: A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; to provide for a legislative management report; to provide a statement of legislative intent; and to provide an exemption.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 79 YEAS, 10 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dobervich; Dockter; Ertelt; Grueneich; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Martinson; McWilliams; Meier; Mitskog; Nathe; Nelson, J.; O'Brien; Oliver; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Skroch; Steiner; Streyle; Sukut; Toman; Vetter; Vigesaa; Westlind; Zubke

NAYS: Boe; Delzer; Devlin; Koppelman, B.; Mock; Monson; Olson; Simons; Weisz; Speaker Bellew

ABSENT AND NOT VOTING: Becker, Rick C.; Guggisberg; Marschall; Nelson, M.; Trottier

Reengrossed HB 1001 passed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

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

HB 1015: Sens. Holmberg; Wardner; Heckaman

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 1001.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1012.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HB 1024.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has sustained the Governor's veto on HB 1004. The vote was 6 YEAS, 41 NAYS, 0 ABSENT AND NOT VOTING.

REPORT OF STANDING COMMITTEE

SB 2035: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO NOT PASS** (17 YEAS, 1 NAYS, 3 ABSENT AND NOT VOTING). SB 2035 was placed on the Fourteenth order on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2003, as engrossed: Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Sanford, Martinson, Streyle) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1453-1468, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1453-1468 of the Senate Journal and pages 1666-1681 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 2, replace the first "and" with "to create and enact two new sections to chapter 15-10 and a new section to chapter 54-12 of the North Dakota Century Code, relating to approval of capital projects requested by institutions under the control of the state board of higher education, the nickel trophy, and tuition and fee waivers for law enforcement officers;"

Page 1, line 2, after "sections" insert "15-10-48, 15-10-49,"

Page 1, line 2, after "15-18.2-05" insert ", 15-18.2-06, 54-10-22.1,"

Page 1, line 3, after the first "to" insert "matching grants for institutions under the control of the state board of higher education,"

Page 1, line 3, after "institutions" insert ", the minimum amount payable through the higher education funding formula, protecting donor records from audits of university and college foundations"

Page 1, line 4, after "appropriations" insert "; to repeal chapter 15-10.2 of the North Dakota Century Code, relating to the midwestern higher education compact"

Page 1, line 5, after "exemptions" insert "; to provide for the reallocation of oil and gas tax distributions; to authorize the conveyance of real property owned by the state of North Dakota; to provide for studies"

Page 1, line 6, after "intent" insert "; to provide an effective date"

Page 1, remove lines 15 through 24

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 30

Page 4, remove lines 1 through 30

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 30

Page 7, replace lines 1 through 5 with:

"Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$6,901,461	(\$296,135)	\$6,605,326
Competitive research programs	6,588,225	(560,475)	6,027,750
System governance	7,212,636	1,180,602	8,393,238
Title II	1,006,472	0	1,006,472
Core technology services	41,325,593	20,201,754	61,527,347
Student financial assistance grants	23,886,160	(1,968,854)	21,917,306
Professional student exchange program	3,941,754	(242,412)	3,699,342
Academic and technical education scholarship	13,134,096	(1,117,347)	12,016,749
Two-year campus marketing	747,600	(747,600)	0
Scholars program	2,113,584	(306,469)	1,807,115
Native American scholarship	649,267	(93,944)	555,323
Tribally controlled community college grants	967,250	(367,250)	600,000
Education incentive programs	3,349,000	(485,607)	2,863,393
Student mental health	308,100	(23,700)	284,400
Veterans' assistance grants	325,000	(47,125)	277,875
Commendation grants	4,486	(4,486)	0
Internal audit pool	280,350	(280,350)	0
Shared campus services	0	500,000	500,000
Two-year campus study	0	40,000	40,000
Education challenge grants	0	2,000,000	2,000,000
Total all funds	\$112,741,034	\$17,380,602	\$130,121,636
Less estimated income	2,511,216	23,700,890	26,212,106
Total general fund	\$110,229,818	(\$6,320,288)	\$103,909,530
Full-time equivalent positions	104.39	45.01	149.40

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,214,004	\$67,580,404	\$101,794,408
Capital assets	67,732	1,854,829	1,922,561
Total all funds	\$34,281,736	\$69,435,233	\$103,716,969
Less estimated income	0	72,991,998	72,991,998
Total general fund	\$34,281,736	(\$3,556,765)	\$30,724,971
Full-time equivalent positions	133.53	224.82	358.35

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$14,143,353	\$22,356,652	\$36,500,005
Capital assets	0	362,667	362,667
Total all funds	\$14,143,353	\$22,719,319	\$36,862,672
Less estimated income	0	24,111,092	24,111,092
Total general fund	\$14,143,353	(\$1,391,773)	\$12,751,580
Full-time equivalent positions	50.19	79.42	129.61

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$9,191,151	\$17,797,826	\$26,988,977
Capital assets	<u>197,801</u>	<u>1,064,167</u>	<u>1,261,968</u>
Total all funds	\$9,388,952	\$18,861,993	\$28,250,945
Less estimated income	<u>0</u>	<u>19,855,598</u>	<u>19,855,598</u>
Total general fund	\$9,388,952	(\$993,605)	\$8,395,347
Full-time equivalent positions	49.96	50.79	100.75

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$146,572,961	\$712,782,489	\$859,355,450
Capital assets	<u>4,411,566</u>	<u>91,000,000</u>	<u>95,411,566</u>
Total all funds	\$150,984,527	\$803,782,489	\$954,767,016
Less estimated income	<u>0</u>	<u>819,870,450</u>	<u>819,870,450</u>
Total general fund	\$150,984,527	(\$16,087,961)	\$134,896,566
Full-time equivalent positions	630.20	1,587.87	2,218.07

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$144,323,680	\$588,884,780	\$733,208,460
Capital assets	<u>2,732,244</u>	<u>82,571,860</u>	<u>85,304,104</u>
Total all funds	\$147,055,924	\$671,456,640	\$818,512,564
Less estimated income	<u>0</u>	<u>689,386,329</u>	<u>689,386,329</u>
Total general fund	\$147,055,924	(\$17,929,689)	\$129,126,235
Full-time equivalent positions	537.10	1,358.56	1,895.66

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$40,916,239	\$50,918,458	\$91,834,697
Capital assets	<u>0</u>	<u>1,012,379</u>	<u>1,012,379</u>
Total all funds	\$40,916,239	\$51,930,837	\$92,847,076
Less estimated income	<u>0</u>	<u>57,605,613</u>	<u>57,605,613</u>
Total general fund	\$40,916,239	(\$5,674,776)	\$35,241,463
Full-time equivalent positions	168.30	176.74	345.04

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,527,233	\$22,608,359	\$47,135,592
Capital assets	<u>0</u>	<u>409,078</u>	<u>409,078</u>
One-time operations and debt repayment	<u>0</u>	<u>7,409,626</u>	<u>7,409,626</u>
Total all funds	\$24,527,233	\$30,427,063	\$54,954,296
Less estimated income	<u>0</u>	<u>29,737,827</u>	<u>29,737,827</u>
Total general fund	\$24,527,233	\$689,236	\$25,216,469
Full-time equivalent positions	120.26	48.64	168.90

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$15,642,731	\$28,611,943	\$44,254,674
Capital assets	<u>0</u>	<u>358,992</u>	<u>358,992</u>
Total all funds	\$15,642,731	\$28,970,935	\$44,613,666
Less estimated income	<u>0</u>	<u>30,307,148</u>	<u>30,307,148</u>
Total general fund	\$15,642,731	(\$1,336,213)	\$14,306,518
Full-time equivalent positions	66.23	144.30	210.53

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$45,037,266	\$55,838,786	\$100,876,052
Capital assets	<u>499,620</u>	<u>600,000</u>	<u>1,099,620</u>
Total all funds	\$45,536,886	\$56,438,786	\$101,975,672
Less estimated income	<u>0</u>	<u>62,058,916</u>	<u>62,058,916</u>
Total general fund	\$45,536,886	(\$5,620,130)	\$39,916,756
Full-time equivalent positions	204.10	237.55	441.65

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$23,218,126	\$25,312,806	\$48,530,932
Capital assets	<u>0</u>	<u>455,823</u>	<u>455,823</u>
Total all funds	\$23,218,126	\$25,768,629	\$48,986,755
Less estimated income	<u>0</u>	<u>28,470,657</u>	<u>28,470,657</u>
Total general fund	\$23,218,126	(\$2,702,028)	\$20,516,098
Full-time equivalent positions	105.59	97.16	202.75

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$8,017,920	\$9,179,785	\$17,197,705
Capital assets	<u>86,537</u>	<u>27,470</u>	<u>114,007</u>
Total all funds	\$8,104,457	\$9,207,255	\$17,311,712
Less estimated income	<u>0</u>	<u>9,629,173</u>	<u>9,629,173</u>
Total general fund	\$8,104,457	(\$421,918)	\$7,682,539
Full-time equivalent positions	46.96	37.34	84.30

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$53,166,247	\$158,723,654	\$211,889,901
Total all funds	\$53,166,247	\$158,723,654	\$211,889,901
Less estimated income	<u>0</u>	<u>154,078,620</u>	<u>154,078,620</u>
Total general fund	\$53,166,247	\$4,645,034	\$57,811,281
Full-time equivalent positions	184.58	251.17	435.75

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$6,228,620	\$8,729,827	\$14,958,447
Capital assets	<u>101,210</u>	<u>17,518</u>	<u>118,728</u>
Total all funds	\$6,329,830	\$8,747,345	\$15,077,175
Less estimated income	<u>1,650,000</u>	<u>9,000,748</u>	<u>10,650,748</u>
Total general fund	\$4,679,830	(\$253,403)	\$4,426,427
Full-time equivalent positions	28.96	(1.96)	27.00

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$681,876,059	(\$56,954,279)	\$624,921,780
Grand total special funds	<u>4,161,216</u>	<u>2,030,805,059</u>	<u>2,034,966,275</u>
Grand total all funds	\$686,037,275	\$1,973,850,780	\$2,659,888,055

SECTION 2. HEALTH INSURANCE INCREASE. Section 1 of this Act includes the sum of \$17,991,140, of which \$5,638,788 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 7, line 6, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 7, line 7, after "biennium" insert "and the 2017-19 biennium one-time funding items included in section 1 of this Act"

Page 7, replace line 10 with:

"Capital projects - other funds	44,848,194	168,505,000"
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Page 7, replace lines 24 through 27 with:

"Education challenge grants	22,124,500	2,000,000
Institution operations distributions	0	2,000,000
Dickinson state university operations and debt repayment	0	7,409,626
Two-year campus study	0	40,000
Midwestern higher education compact dues	<u>0</u>	<u>230,000</u>
Total all funds	\$216,821,350	\$180,184,626
Total other funds	<u>60,848,194</u>	<u>168,505,000</u>
Total general fund	\$155,973,156	\$11,679,626

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium July 1, 2017, and ending June 30, 2019.

SECTION 4. AMENDMENT. Section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

15-10-48. Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.

1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.

- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 15-10-51.
 - c. The board may award up to ~~seven million~~two hundred thousand dollars in matching grants to each institution. ~~The first two million dollars in matching grants awarded to each institution must be used for student scholarships that comply with section 15-10-53.~~
 - d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.
- 2. a. If any available dollars have not been awarded by the board before January 1, 2017~~first of each odd-numbered year~~, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.
 - b. An application submitted under this subsection must meet the same criteria as an original application.
 - c. The board shall consider each application submitted under this subsection in chronological order.
 - d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
- 3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 5. AMENDMENT. Section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

15-10-49. Advancement of academics - Matching grants - Two-year and four-year institutions of higher education.

- 1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 15-10-51.
- c. The board may award up to ~~one million~~two hundred thousand dollars in matching grants to each institution.

2. a. If any available dollars have not been awarded by the board before January 1, 2017 first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
3. a. ~~The board may award an additional five hundred thousand dollars in matching grants to institutions that have been awarded one million dollars in matching grants under subsection 1 and apply for an additional matching grant.~~
- b. ~~An application submitted under this subsection must meet the same criteria as an original application.~~
- c. ~~The board shall consider each application submitted under this subsection in chronological order.~~
- d. ~~If the funding provided under this subsection is insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.~~
4. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 6. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Capital project and capital lease requests - Maintenance reserve account.

1. Notwithstanding any existing agreements, an institution under the control of the state board of higher education shall obtain approval from the legislative assembly before the institution acquires any additional facility space to be used by the institution for any purpose, if the acquisition would result in additional operating costs funded from any source. This subsection does not apply to operating lease agreements that preclude the ownership of the leased facility.
2. Notwithstanding any existing agreements, an institution under the control of the state board of higher education shall obtain approval from the legislative assembly before an institution purchases, rents, occupies, or otherwise utilizes a building or any portion of a building for a purpose that directly or indirectly supports or relates to the institution's educational or administrative functions if the building is located more than ten miles from the campus of the institution. This subsection does not apply to buildings utilized by an institution to offer dual-credit courses, buildings utilized by the agricultural experiment station and research extension centers, and buildings utilized by the North Dakota state university extension service. For purposes of this section, "campus" means the campus of the institution under the Federal Clery Act [Pub. L. 105-244; 20 U.S.C. 1092(f)].
3. An institution under the control of the state board of higher education may undertake a facility renovation project only if the project will reduce

the deferred maintenance amount of the facility by no less than seventy five percent of the total cost of the renovation. The institution shall maintain documentation that demonstrates the cost and scope of the deferred maintenance reduction that results directly from the renovation. This subsection does not apply to projects undertaken solely to correct building code deficiencies or to installations of infrastructure determined by the board to be essential to the mission of the institution.

4. Facility construction and renovation projects undertaken by an institution under the control of the state board of higher education must conform to campus master plan and space utilization requirements approved by the state board of higher education.
5. An institution that obtains legislative approval under subsection 1 must establish a maintenance reserve fund of three percent of the total construction cost or replacement value, whichever is greater, of the acquired space. The institution's plans for funding the maintenance reserve fund must be included in the request for legislative approval under subsection 1. Maintenance reserve funds must be deposited in an account under the control of the state board of higher education before the acquired space may be occupied, and the funds may be used for maintenance repairs after the total deferred maintenance of the space exceeds thirty percent of its replacement value. The funds may not be used for any other purpose. This subsection does not apply to additional space acquired through the sale of revenue bonds that require by covenant the establishment of maintenance reserve funds.

SECTION 7. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Nickel trophy.

To promote national recognition and statewide enthusiasm, the legislative assembly encourages the university of North Dakota and the North Dakota state university of agriculture and applied science to play for the nickel trophy during the course of a national collegiate athletic association football game. If the athletic director or president of either institution elects not to play for the nickel trophy, the nickel trophy must be permanently displayed in the heritage center."

Page 8, after line 1 insert "1."

Page 8, line 2, overstrike "In" and insert immediately thereafter "Except as provided under subsection 2, in"

Page 8, line 5, overstrike "1." and insert immediately thereafter "a."

Page 8, line 5, replace "\$58.69" with "\$58.65"

Page 8, line 7, overstrike "2." and insert immediately thereafter "b."

Page 8, line 7, replace "\$87.03" with "\$86.95"

Page 8, line 9, overstrike "3." and insert immediately thereafter "c."

Page 8, line 9, replace "\$93.12" with "\$93.03"

Page 8, after line 11, insert:

- "2. An institution is entitled to an amount equal to seventy-five percent of the product determined under subsection 1 for credits completed by students receiving a tuition waiver pursuant to section 11 of this Act.

SECTION 9. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (Effective through June 30, 20172019) Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each ~~fiscal year beginning with 2014-15~~ biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous ~~fiscal year~~ biennium.

SECTION 10. AMENDMENT. Section 54-10-22.1 of the North Dakota Century Code is amended and reenacted as follows:

54-10-22.1. State auditor's access to information relating to operations of governmental entities subject to audit.

Notwithstanding any other specific sections of law, the state auditor and persons employed by the state auditor, when necessary in conducting an audit, shall have access to all information relating to operations of all governmental units or component units subject to audit except active investigatory work product of the attorney general as defined in section 44-04-19.1 and financial records and estate planning records a donor provides to a nonprofit organization affiliated with an institution under the control of the state board of higher education which provides support to and is organized and operated for the benefit of the institution. Except for active investigatory work product of the attorney general as defined in section 44-04-19.1 and tax records as described in section 54-10-24, the state auditor may inspect any state agency's books, papers, accounts, or records that may be relevant to an ongoing audit of any other state agency or computer system audit. The state auditor and persons employed by the state auditor examining any information, which is confidential by law, shall guard the secrecy of such information except when otherwise directed by judicial order or as is otherwise provided by law.

SECTION 11. A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

Law enforcement officer tuition and fees waiver.

1. To the extent the annual cap under this section has not been met, an individual who is employed as a full-time law enforcement officer in this state, who has a minimum of two years of employment, and who is licensed under chapter 12-63, is entitled to a waiver of twenty-five percent of resident tuition and fees of any institution of higher education under the control of the state board of higher education if the law enforcement officer:
 - a. Maintains satisfactory performance with the officer's law enforcement agency;
 - b. Obtains authorization to participate in the waiver program and a certificate of verification from the law enforcement officer's superior officer which attests to the officer's satisfactory performance;
 - c. Meets all admission requirements of the institution; and
 - d. Pursues studies leading to a degree from an associate degree program or a baccalaureate degree program.
2. The law enforcement officer may receive the waiver for up to five years from the date the law enforcement officer first receives a waiver under this section.
3. The institution of higher education shall waive twenty-five percent of the officer's tuition and fees after subtracting awarded federal financial aid grants and state scholarships and grants for an eligible law enforcement officer during the time the officer is enrolled. To remain eligible for the waiver, the officer shall comply with all requirements of the institution for

continued attendance and award of an associate degree or a baccalaureate degree.

4. The law enforcement officer shall include the certificate of verification when applying for enrollment to the institution of higher education.
5. The total amount of waivers granted each academic year by institutions under the control of the state board of higher education may not exceed five hundred thousand dollars.
6. The attorney general shall adopt the rules necessary to implement this section."

Page 10, after line 1, insert:

"SECTION 13. REPEAL. Chapter 15-10.2 of the North Dakota Century Code is repealed."

Page 10, line 24, replace "\$15,200,000" with "\$13,806,856"

Page 10, after line 29, insert:

"SECTION 17. STATEWIDE MEMBERSHIP DUES. Subdivision 1 of section 1 of this Act includes the sum of \$294,000 for membership dues for the western interstate commission for higher education. Subdivision 1 of section 1 of this Act includes the sum of \$230,000 of one-time funding for membership dues of the midwestern higher education compact.

SECTION 18. DICKINSON STATE UNIVERSITY - USES OF FUNDS.

1. The one-time operations and debt repayment line item included in subdivision 8 of section 1 of this Act includes the sum of \$7,409,626, or so much of the sum as may be necessary, which must be used by Dickinson state university as follows:
 - a. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds provided under this subdivision may be used only if the funding provided under this subdivision will result in final satisfaction of any debt associated with the facility; and
 - b. \$4,309,626 must be used for the operations of the institution.
2. Dickinson state university shall utilize up to \$2,000,000 of funding from campus reserves for any additional funding needed to maintain the operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019.
3. Dickinson state university may not discontinue any portion of its department of nursing academic program during the biennium beginning July 1, 2017, and ending June 30, 2019.
4. The appropriations identified under this section are considered one-time funding items.

SECTION 19. STATE TREASURER - REALLOCATION OF OIL AND GAS TAX DISTRIBUTIONS. Notwithstanding any other provision of law, during the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall withhold fifty percent of the amounts allocated to the city of Dickinson under subdivision a of subsection 1 of section 57-51-15, up to a maximum of \$2,500,000 of withholdings, and shall deposit the amounts withheld in the state general fund.

Notwithstanding any other provision of law, during the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall withhold fifty percent of the amounts allocated to stark county under subdivision a of

subsection 5 of section 57-51-15, up to a maximum of \$375,000 of withholdings, and shall deposit the amounts withheld in the state general fund."

Page 11, line 1, replace "between" with "from"

Page 11, line 1, replace "and" with "to the"

Page 11, line 10, replace "before" with "as part of"

Page 12, line 1, replace "The" with "Except as provided in this section, the"

Page 12, line 5, after "2019" insert ", as follows:

1. Of the unexpended appropriations available under this section, up to \$750,000 may be used for the operations of the Theodore Roosevelt presidential library. Any remaining funds may be used only for the planning, design, and construction of the Theodore Roosevelt presidential library building and may not be used for operations, exhibits, or replica structures.
2. Any expenditure of funds continued under this section, including funds used to match state funds, must be approved in advance by an employee of the office of commissioner of higher education designated by the state board of higher education.
3. The director of the office of management and budget shall cancel any appropriation authority continued under this section on December 31, 2018, unless Dickinson state university has certified to the director that:
 - a. Construction commenced on the presidential library building prior to December 31, 2018;
 - b. A North Dakota architect was used to design the presidential library building;
 - c. The cost of constructing the building, including planning and design costs, will exceed fourteen million dollars; and
 - d. Except as provided in subsection 1, no state appropriated funds designated for the Theodore Roosevelt presidential library building project nor any funds used to match the state funding are being used for purposes other than for planning, design, and construction costs of the building"

Page 12, line 6, after "**GRANTS**" insert "- **TRANSFER**"

Page 12, line 8, after "and" insert "the state board of higher education shall transfer"

Page 12, line 9, replace "are available" with "to Dickinson state university for the operations of the institution"

Page 12, after line 10, insert:

"SECTION 26. EXEMPTION - STUDENT FINANCIAL ASSISTANCE GRANTS. Of the \$25,634,276 appropriated from the general fund in the student financial assistance grants line item in subdivision 1 of section 1 of chapter 3 of the 2015 Session Laws, \$5,000,000 is not subject to section 54-44.1-11 and must be canceled by the office of management and budget on the effective date of this section."

Page 12, line 16, replace "three" with "four"

Page 12, line 22, replace "three" with "four"

Page 12, line 25, remove "During the 2017-18 and 2018-19 academic years, the state board of higher education"

Page 12, remove lines 26 through 31

Page 13, remove lines 1 through 4

Page 13, line 5, remove "4."

Page 13, line 5, after "for" insert "graduate level"

Page 13, line 5, after "programs" insert ", including programs"

Page 13, line 8, replace "5." with "4."

Page 13, line 12, replace "6." with "5."

Page 13, line 15, replace "7." with "6."

Page 13, line 24, remove ", excluding tuition revenue generated"

Page 13, line 25, remove "specifically for extraordinary repairs and deferred maintenance needs,"

Page 13, after line 26, insert:

"SECTION 29. TRANSFER OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of higher education, shall convey certain real property consisting of approximately 0.8 acres parallel and adjacent to the BNSF railway company right-of-way in Cass County, North Dakota, known as parcel number 01-3504-08500-000 in the records of Cass County, North Dakota, to BNSF railway company, if determined appropriate by the state board of higher education and the commissioner of university and school lands. The terms of the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. North Dakota Century Code sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

SECTION 30. TRANSFER OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of higher education, may convey certain real property known as Dakota hall or airport addition, 1015 north forty-third street, lot h, replat of lot 1 and 2, b 3 block 3 and part northwest quarter of northwest quarter section 6-151-60 in the records of the city of Grand Forks, if determined appropriate by the state board of higher education. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. North Dakota Century Code sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

SECTION 31. TRANSFER OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of higher education, may convey certain real property known as Ray Richard's golf course or Ray Richard's golf course addition, 3801 demers avenue, lot 1, block 1, and Ray Richard's golf course addition, 3501 demers avenue, lot 2, block 1, in the records of the city of Grand Forks, if determined appropriate by the state board of higher education. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined by the state board of higher education or a designee of the board. North Dakota Century Code sections 54-01-5.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

SECTION 32. TRANSFER OF DAKOTA INSTITUTE INVENTORY. The parks and recreation department shall transfer the name Dakota institute and all rights, title, interests, and copyrights and up to eighty percent of any remaining inventory of any Dakota institute publication, book, or other document or production,

regardless of format, to Bismarck state college. Bismarck state college may transfer any rights, title, interests, copyrights, inventory of any of the Dakota institute's publications, books, or other documents or productions, regardless of format, to the author or producer of the document or production.

SECTION 33. RESEARCH NETWORKS - REPORT TO THE LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2017, and ending June 30, 2019, the state board of higher education, in association with the research institutions under its control, shall consider opportunities for collaboration on high-performance computing, data analytics, and connectivity to Minnesota research networks to improve access, increase capacity, and create efficiencies. The board may utilize appropriations and reserves designated for the northern tier network to accommodate continued use of existing research networks and to expand network capabilities. The board shall consider developing policies and procedures to authorize private entities to utilize the research network. During the 2017-18 interim, the state board of higher education shall provide a report to the legislative management regarding the status of efforts to collaborate with Minnesota entities for research network purposes.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH DAKOTA ENERGY AND ENVIRONMENTAL RESEARCH CENTER RELATIONSHIP WITH THE UNIVERSITY OF NORTH DAKOTA. During the 2017-18 interim, the Legislative Management shall consider studying the relationship between the University of North Dakota and the Energy and Environmental Research Center. The study, if conducted, must include a review of the working relationship between the entities including financial responsibilities and expectations of each entity including potential alternative administrative reporting lines and business models. The Legislative Management shall report its findings and recommendations, including any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE REORGANIZATION OF TWO-YEAR INSTITUTIONS - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the period beginning July 1, 2017, and ending December 31, 2018, the state board of higher education shall study the reorganization of the two-year institutions under its control into a community and technology college system that addresses workforce and education needs of the state. As part of the study, the board shall consider:

1. Shared administration;
2. Shared courses, including a common course catalog;
3. Articulation agreements linking elementary and secondary education, career academies, and career and technical education to postsecondary certificates and associate's degrees;
4. Centralized processing of student admissions, housing applications, financial aid, and advising; and
5. Centralized services, including bookstore operations, food services, marketing, procurement, accounting, and human resources.

The state board of higher education shall approve and present a plan to implement the recommendations of its study to reorganize two-year institutions, including drafts of legislation necessary to implement the recommendations, to the appropriations committees of the sixty-sixth legislative assembly.

SECTION 36. STATE BOARD OF HIGHER EDUCATION - STUDY OF NURSING PROGRAMS - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the period beginning July 1, 2017, and ending December 31, 2018, the state board of higher education shall study the reorganization of nursing programs at institutions under its control. As part of the study, the board shall review the number of institutions offering nursing programs, the level of programs offered, and the locations of programs. The board shall consider options to develop

collaborations among institutions to offer programs in an efficient and effective manner to address the workforce needs of the state.

The state board of higher education shall approve and present a plan to implement the recommendations of its study to reorganize nursing programs, including drafts of legislation necessary to implement the recommendations, to the appropriations committees of the sixty-sixth legislative assembly."

Page 13, line 31, remove "the inconsistencies"

Page 14, line 2, after "2." insert "Inconsistent employee leave policies;

3."

Page 14, line 3, replace "3." with "4."

Page 14, after line 15, insert:

"SECTION 39. LEGISLATIVE INTENT - NORTH DAKOTA STATE UNIVERSITY - LEASE ARRANGEMENT AND OTHER SAVINGS. It is the intent of the sixty-fifth legislative assembly that future general fund appropriations in support of the North Dakota state university department of nursing program in Bismarck be adjusted for savings resulting from facility lease negotiations and for credit-hours completed at the school.

SECTION 40. EFFECTIVE DATE. Section 13 of this Act become effective on June 30, 2017."

Page 14, line 16, replace "Section 11" with "Sections 13, 23, 24, 26, 28, and 40"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System Office						
Total all funds	\$112,741,034	\$128,050,560	\$2,071,076	\$130,121,636	\$128,579,136	\$1,542,500
Less estimated income	2,511,216	26,221,124	(9,018)	26,212,106	26,212,106	0
General fund	\$110,229,818	\$101,829,436	\$2,080,094	\$103,909,530	\$102,367,030	\$1,542,500
Bismarck State College						
Total all funds	\$34,281,736	\$103,672,280	\$44,689	\$103,716,969	\$103,592,595	\$124,374
Less estimated income	0	73,042,557	(50,559)	72,991,998	72,991,998	0
General fund	\$34,281,736	\$30,629,723	\$95,248	\$30,724,971	\$30,600,597	\$124,374
Lake Region State College						
Total all funds	\$14,143,353	\$36,841,308	\$21,364	\$36,862,672	\$36,811,715	\$50,957
Less estimated income	0	24,128,597	(17,505)	24,111,092	24,111,092	0
General fund	\$14,143,353	\$12,712,711	\$38,869	\$12,751,580	\$12,700,623	\$50,957
Williston State College						
Total all funds	\$9,388,952	\$28,234,797	\$16,148	\$28,250,945	\$28,216,101	\$34,844
Less estimated income	0	19,866,337	(10,739)	19,855,598	19,855,598	0
General fund	\$9,388,952	\$8,368,460	\$26,887	\$8,395,347	\$8,360,503	\$34,844
University of North Dakota						
Total all funds	\$150,984,527	\$954,549,309	\$217,707	\$954,767,016	\$953,083,351	\$1,683,665
Less estimated income	0	820,277,023	(406,573)	819,870,450	819,870,450	0
General fund	\$150,984,527	\$134,272,286	\$624,280	\$134,896,566	\$133,212,901	\$1,683,665
UND Medical Center						
Total all funds	\$53,166,247	\$211,889,901	\$0	\$211,889,901	\$211,889,901	\$0
Less estimated income	0	154,971,764	(893,144)	154,078,620	151,578,620	2,500,000
General fund	\$53,166,247	\$56,918,137	\$893,144	\$57,811,281	\$60,311,281	(\$2,500,000)
North Dakota State University						
Total all funds	\$147,055,924	\$791,473,400	\$27,039,164	\$818,512,564	\$814,207,371	\$4,305,193
Less estimated income	0	661,687,739	27,698,590	689,386,329	689,386,329	0
General fund	\$147,055,924	\$129,785,661	(\$659,426)	\$129,126,235	\$124,821,042	\$4,305,193

State College of Science						
Total all funds	\$40,916,239	\$92,765,243	\$81,833	\$92,847,076	\$92,314,703	\$532,373
Less estimated income	0	57,642,469	(36,856)	57,605,613	57,605,613	0
General fund	\$40,916,239	\$35,122,774	\$118,689	\$35,241,463	\$34,709,090	\$532,373
Dickinson State University						
Total all funds	\$24,527,233	\$49,884,817	\$5,069,479	\$54,954,296	\$47,436,384	\$7,517,912
Less estimated income	0	29,750,982	(13,155)	29,737,827	29,737,827	0
General fund	\$24,527,233	\$20,133,835	\$5,082,634	\$25,216,469	\$17,698,557	\$7,517,912
Mayville State University						
Total all funds	\$15,642,731	\$44,602,708	\$10,958	\$44,613,666	\$44,396,753	\$216,913
Less estimated income	0	30,339,206	(32,058)	30,307,148	30,307,148	0
General fund	\$15,642,731	\$14,263,502	\$43,016	\$14,306,518	\$14,089,605	\$216,913
Minot State University						
Total all funds	\$45,536,886	\$101,902,897	\$72,775	\$101,975,672	\$101,701,609	\$274,063
Less estimated income	0	62,113,151	(54,235)	62,058,916	62,058,916	0
General fund	\$45,536,886	\$39,789,746	\$127,010	\$39,916,756	\$39,642,693	\$274,063
Valley City State University						
Total all funds	\$23,218,126	\$48,943,340	\$43,415	\$48,986,755	\$48,662,159	\$324,596
Less estimated income	0	28,493,914	(23,257)	28,470,657	28,470,657	0
General fund	\$23,218,126	\$20,449,426	\$66,672	\$20,516,098	\$20,191,502	\$324,596
Dakota College at Bottineau						
Total all funds	\$8,104,457	\$17,298,907	\$12,805	\$17,311,712	\$17,173,832	\$137,880
Less estimated income	0	9,638,678	(9,505)	9,629,173	9,629,173	0
General fund	\$8,104,457	\$7,660,229	\$22,310	\$7,682,539	\$7,544,659	\$137,880
Forest Service						
Total all funds	\$6,329,830	\$15,082,774	(\$5,599)	\$15,077,175	\$15,077,175	\$0
Less estimated income	1,650,000	10,650,748	0	10,650,748	10,650,748	0
General fund	\$4,679,830	\$4,432,026	(\$5,599)	\$4,426,427	\$4,426,427	\$0
Bill total						
Total all funds	\$686,037,275	\$2,625,192,241	\$34,695,814	\$2,659,888,055	\$2,643,142,785	\$16,745,270
Less estimated income	4,161,216	2,008,824,289	26,141,986	2,034,966,275	2,032,466,275	2,500,000
General fund	\$681,876,059	\$616,367,952	\$8,553,828	\$624,921,780	\$610,676,510	\$14,245,270

Senate Bill No. 2003 - North Dakota University System - General Fund Summary

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System Office	\$110,229,818	\$101,829,436	\$2,080,094	\$103,909,530	\$102,367,030	\$1,542,500
Bismarck State College	34,281,736	30,629,723	95,248	30,724,971	30,600,597	124,374
Lake Region State College	14,143,353	12,712,711	38,869	12,751,580	12,700,623	50,957
Williston State College	9,388,952	8,368,460	26,887	8,395,347	8,360,503	34,844
University of North Dakota	150,984,527	134,272,286	624,280	134,896,566	133,212,901	1,683,665
UND Medical Center	53,166,247	56,918,137	893,144	57,811,281	60,311,281	(2,500,000)
North Dakota State University	147,055,924	129,785,661	(659,426)	129,126,235	124,821,042	4,305,193
State College of Science	40,916,239	35,122,774	118,689	35,241,463	34,709,090	532,373
Dickinson State University	24,527,233	20,133,835	5,082,634	25,216,469	17,698,557	7,517,912
Mayville State University	15,642,731	14,263,502	43,016	14,306,518	14,089,605	216,913
Minot State University	45,536,886	39,789,746	127,010	39,916,756	39,642,693	274,063
Valley City State University	23,218,126	20,449,426	66,672	20,516,098	20,191,502	324,596
Dakota College at Bottineau	8,104,457	7,660,229	22,310	7,682,539	7,544,659	137,880
Forest Service	4,679,830	4,432,026	(5,599)	4,426,427	4,426,427	
Total general fund	\$681,876,059	\$616,367,952	\$8,553,828	\$624,921,780	\$610,676,510	\$14,245,270

Detail of Conference Committee changes to the General Fund

	Adjusts Funding for University System Office ¹	Adds Funding for Challenge Grants ²	Adjusts Funding for Campuses ³	Adds One-Time Funding For Dickinson State University ⁴	Adjusts Funding Source for Residency Positions ⁵	Adds Funding for Capital Project ⁶
University System Office	\$80,094	\$2,000,000				
Bismarck State College			95,248			
Lake Region State College			38,869			
Williston State College			26,887			
University of North Dakota			624,280			
UND Medical Center					893,144	
North Dakota State University			(659,426)			
State College of Science			118,689			
Dickinson State University			(17,366)	5,100,000		
Mayville State University			43,016			
Minot State University			127,010			
Valley City State University			66,672			
Dakota College at Bottineau			22,310			
Forest Service						

Total general fund	\$80,094	\$2,000,000	\$486,189	\$5,100,000	\$893,144	\$0
	Adjusts Funding for Forest Service⁷	Total General Fund Changes				
University System Office		\$2,080,094				
Bismarck State College		95,248				
Lake Region State College		38,869				
Williston State College		26,887				
University of North Dakota		624,280				
UND Medical Center		893,144				
North Dakota State University		(659,426)				
State College of Science		118,689				
Dickinson State University		5,082,634				
Mayville State University		43,016				
Minot State University		127,010				
Valley City State University		66,672				
Dakota College at Bottineau		22,310				
Forest Service	(5,599)	(5,599)				
Total general fund	(5,599)	\$8,553,828				

Senate Bill No. 2003 - North Dakota University System - Other Funds Summary

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System Office	\$2,511,216	\$26,221,124	(\$9,018)	\$26,212,106	\$26,212,106	
Bismarck State College		73,042,557	(50,559)	72,991,998	72,991,998	
Lake Region State College		24,128,597	(17,505)	24,111,092	24,111,092	
Williston State College		19,866,337	(10,739)	19,855,598	19,855,598	
University of North Dakota		820,277,023	(406,573)	819,870,450	819,870,450	
UND Medical Center		154,971,764	(893,144)	154,078,620	151,578,620	2,500,000
North Dakota State University		661,687,739	27,698,590	689,386,329	689,386,329	
State College of Science		57,642,469	(36,856)	57,605,613	57,605,613	
Dickinson State University		29,750,982	(13,155)	29,737,827	29,737,827	
Mayville State University		30,339,206	(32,058)	30,307,148	30,307,148	
Minot State University		62,113,151	(54,235)	62,058,916	62,058,916	
Valley City State University		28,493,914	(23,257)	28,470,657	28,470,657	
Dakota College at Bottineau		9,638,678	(9,505)	9,629,173	9,629,173	
Forest Service	1,650,000	10,650,748		10,650,748	10,650,748	
Total other funds	\$4,161,216	\$2,008,824,289	\$26,141,986	\$2,034,966,275	\$2,032,466,275	\$2,500,000

Detail of Conference Committee changes to Other Funds

	Adjusts Funding for University System Office ¹	Adds Funding for Challenge Grants ²	Adjusts Funding for Campuses ³	Adds One-Time Funding For Dickinson State University ⁴	Adjusts Funding Source for Residency Positions ⁵	Adds Funding for Capital Project ⁶
University System Office	(\$9,018)					
Bismarck State College			(50,559)			
Lake Region State College			(17,505)			
Williston State College			(10,739)			
University of North Dakota			(406,573)			
UND Medical Center					(893,144)	
North Dakota State University			(301,410)			28,000,000
State College of Science			(36,856)			
Dickinson State University			(13,155)			
Mayville State University			(32,058)			
Minot State University			(54,235)			
Valley City State University			(23,257)			
Dakota College at Bottineau			(9,505)			
Forest Service						
Total other funds	(\$9,018)	\$0	(\$955,852)	\$0	(\$893,144)	\$28,000,000

	Adjusts Funding for Forest Service⁷	Total Other Funds Changes
University System Office		(\$9,018)
Bismarck State College		(50,559)
Lake Region State College		(17,505)
Williston State College		(10,739)
University of North Dakota		(406,573)
UND Medical Center		(893,144)
North Dakota State University		27,698,590
State College of Science		(36,856)
Dickinson State University		(13,155)
Mayville State University		(32,058)
Minot State University		(54,235)

Valley City State University	(23,257)
Dakota College at Bottineau	(9,505)
Forest Service	
Total other funds	\$0
	\$26,141,986

Senate Bill No. 2003 - North Dakota University System - All Funds Summary

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
University System Office	\$112,741,034	\$128,050,560	\$2,071,076	\$130,121,636	\$128,579,136	\$1,542,500
Bismarck State College	34,281,736	103,672,280	44,689	103,716,969	103,592,595	124,374
Lake Region State College	14,143,353	36,841,308	21,364	36,862,672	36,811,715	50,957
Williston State College	9,388,952	28,234,797	16,148	28,250,945	28,216,101	34,844
University of North Dakota	150,984,527	954,549,309	217,707	954,767,016	953,083,351	1,683,665
UND Medical Center	53,166,247	211,889,901		211,889,901	211,889,901	
North Dakota State University	147,055,924	791,473,400	27,039,164	818,512,564	814,207,371	4,305,193
State College of Science	40,916,239	92,765,243	81,833	92,847,076	92,314,703	532,373
Dickinson State University	24,527,233	49,884,817	5,069,479	54,954,296	47,436,384	7,517,912
Mayville State University	15,642,731	44,602,708	10,958	44,613,666	44,396,753	216,913
Minot State University	45,536,886	101,902,897	72,775	101,975,672	101,701,609	274,063
Valley City State University	23,218,126	48,943,340	43,415	48,986,755	48,662,159	324,596
Dakota College at Bottineau	8,104,457	17,298,907	12,805	17,311,712	17,173,832	137,880
Forest Service	6,329,830	15,082,774	(5,599)	15,077,175	15,077,175	
Total all funds	\$686,037,275	\$2,625,192,241	\$34,695,814	\$2,659,888,055	\$2,643,142,785	\$16,745,270
FTE	2430.35	6765.76	2.00	6767.76	6767.76	0.00

Detail of Conference Committee changes to All Funds

	Adjusts Funding for University System Office ¹	Adds Funding for Challenge Grants ²	Adjusts Funding for Campuses ³	Adds One-Time Funding For Dickinson State University ⁴	Adjusts Funding Source for Residency Positions ⁵	Adds Funding for Capital Project ⁶
University System Office	\$71,076	\$2,000,000				
Bismarck State College			44,689			
Lake Region State College			21,364			
Williston State College			16,148			
University of North Dakota			217,707			
UND Medical Center						
North Dakota State University			(960,836)			28,000,000
State College of Science			81,833			
Dickinson State University			(30,521)	5,100,000		
Mayville State University			10,958			
Minot State University			72,775			
Valley City State University			43,415			
Dakota College at Bottineau			12,805			
Forest Service						
Total all funds	\$71,076	\$2,000,000	(\$469,663)	\$5,100,000	\$0	\$28,000,000
FTE	2.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding for Forest Service ⁷	Total All Funds Changes
University System Office		\$2,071,076
Bismarck State College		44,689
Lake Region State College		21,364
Williston State College		16,148
University of North Dakota		217,707
UND Medical Center		
North Dakota State University		27,039,164
State College of Science		81,833
Dickinson State University		5,069,479
Mayville State University		10,958
Minot State University		72,775
Valley City State University		43,415
Dakota College at Bottineau		12,805
Forest Service	(5,599)	(5,599)
Total all funds	(\$5,599)	\$34,695,814
FTE	0.00	2.00

¹ This amendment adjusts funding for the University System office. The following schedule details funding adjustments to the system governance line item which are the same as the House version:

System Governance

	FTE Positions	General Fund	Other Funds	Total
Health insurance adjustment		(\$4,581)	(\$85)	(\$4,666)
Internal audit positions	2.00	391,144		391,144
MHEC dues (one-time funding)		230,000		230,000
Total	2.00	\$616,563	(\$85)	\$616,478

Funding of \$229,500 included in the internal audit pool line item is also transferred to the system governance line item for internal audit purposes.

The following schedule details funding adjustments for Core Technology Services which are the same as the House version.

Core Technology Services

	FTE Positions	General Fund	Other Funds	Total
Health insurance adjustment		(\$16,469)	(\$8,933)	(\$25,402)
Total	0.00	(\$16,469)	(\$8,933)	(\$25,402)

Funding from the general fund for open education resources and shared campus services is adjusted as follows:

	Senate Version	House Adjustments	House Version	Conference Committee Version
Open education resources	\$100,000	(\$100,000)	\$0	\$0
Shared campus services	\$200,000	\$300,000	\$500,000	\$500,000

Funding for tribal college assistance grants is adjusted as follows:

	Senate Version	House Adjustments	House Version	Conference Committee Version
General fund	\$402,500	(\$302,500)	\$100,000	\$100,000
Student loan trust fund	500,000	0	500,000	500,000
Total	\$902,500	(\$302,500)	\$600,000	\$600,000

Other adjustments include:

- Funding of \$457,500 from the general fund for 2-year campus marketing is removed. This funding was not removed by the House.
- One-time funding of \$40,000 from the general fund is added for a study of the reorganization of 2-year institutions. This funding was also added by the House.

² One-time funding of \$2 million is added from the general fund for challenge grants. Sections 15-10-48 and 15-10-49 are amended to provide that each institution under the control of the State Board of Higher Education, excluding Dickinson State University, is eligible to receive up to \$200,000 of grant allocations.

³ General fund appropriations for institutions are adjusted for the following:

- Adjustments to employee health insurance premium increase funding to reflect revised premium rates.
- One-time distributions to institutions for operations.
- The offset of general fund appropriations by savings from lease negotiations for the North Dakota State University College of Nursing at Bismarck.

The following schedule details general fund changes:

	Health Insurance Adjustment	One-Time Campus Distributions	Lease Negotiation Savings	Total General Fund Increase (Decrease)
Bismarck State College	(\$29,126)	\$124,374		\$95,248

Dakota College at Bottineau	(7,284)	29,594		22,310
Lake Region State College	(12,088)	50,957		38,869
State College of Science	(33,398)	152,087		118,689
Williston State College	(7,957)	34,844		26,887
Dickinson State University	(17,366)			(17,366)
Mayville State University	(13,897)	56,913		43,016
Minot State University	(38,767)	165,777		127,010
Valley City State University	(19,924)	86,596		66,672
North Dakota State University	(94,619)	535,193	(1,100,000)	(659,426)
University of North Dakota	(139,385)	763,665		624,280
	(\$413,811)	\$2,000,000	(\$1,100,000)	\$486,189

Special funds authority is adjusted for campuses as follows to reflect the revised health insurance premium rates:

	Health Insurance Adjustment - Special Funds
Bismarck State College	(\$50,559)
Dakota College at Bottineau	(9,505)
Lake Region State College	(17,505)
North Dakota State College of Science	(36,856)
Williston State College	(10,739)
Dickinson State University	(13,155)
Mayville State University	(32,058)
Minot State University	(54,235)
Valley City State University	(23,257)
North Dakota State University	(301,410)
University of North Dakota	(406,573)
	(\$955,852)

The House version reduced general fund appropriations by \$3.3 million due to increased distributions from institution permanent trust funds. This funding is restored in the conference committee version. The House amendments also reduced general fund appropriations by \$3.5 million related to lease negotiation savings at the NDSU College of Nursing in Bismarck. The conference committee version adjusts this reduction to \$1.1 million.

⁴ This amendment provides one-time funding and makes other adjustments related to Dickinson State University as follows:

- Appropriates \$4,309,626 from the general fund for institution operations, of which \$2,309,626 relates to the hold-harmless provision of the higher education funding formula. The Senate included funding for the hold-harmless provision but the House removed the funding.
- Appropriates \$3.1 million from the general fund for the final satisfaction of debt associated with the Biesiot Activities Center;
- Amends Section 13 of the engrossed bill to transfer \$950,000 of estimated carryover authority for 2013-15 biennium challenge grants to the institution for operations;
- Designates \$2 million of campus funding reserves to be used for institution operations if needed;
- Amends North Dakota Century Code Section 15-18.2-06 to continue through June 30, 2019, the minimum amount payable provision in the higher education funding formula;
- Prohibits Dickinson State University from discontinuing any portion of its Department of Nursing program during the 2017-19 biennium; and

- Adds a section to require the State Treasurer to withhold \$2.5 million of oil and gas tax allocations to the City of Dickinson and to withhold \$375,000 of oil and gas tax allocations to Stark County and deposits the withheld funds in the state general fund.

⁵ Funding for new student residency positions at the UND School of Medicine and Health Sciences is adjusted to provide funding from the student loan trust fund, general fund, and other local funds. The schedule below compares the Senate, House, and Conference Committee versions of funding for the residency positions:

	Senate Version	House Version	Conference Committee Version
Student loan trust fund	\$15,200,000	\$11,806,856	\$13,806,856
General fund		3,393,144	893,144
Other local funds			500,000
Total	\$15,200,000	\$15,200,000	\$15,200,000

Section 7 of the engrossed bill is updated to reflect the revised amount being provided from the student loan trust fund.

⁶ Special fund authority is added for the North Dakota State University Sudro Hall renovation and addition project. The House also added this authority.

⁷ Funding is adjusted for the Forest Service to reflect the updated employee health insurance premium amount of \$1,241 per month. The House also adjusted this amount.

Senate Bill No. 2003 - Other Changes - Conference Committee Action

This amendment also:

- Adjusts Section 8 of the engrossed bill to remove the authority of the State Board of Higher Education to transfer funds from the capital assets to operations line item of an institution. The House also adjusted this section.
- Adjusts Section 12 of the engrossed bill which provides carryover authority for unexpended appropriations of the Dickinson State University Theodore Roosevelt Center. The House removed this section. Including this section in the bill decreases the general fund beginning balance for the 2017-19 biennium by \$11.5 million, compared to the House version.
- Adjusts Section 14 of the engrossed bill to allow institutions to increase resident tuition rates by up to 4 percent per year during the 2017-19 biennium and exempts graduate courses from the tuition rate limits, the same as the House version. The Senate version authorized institutions to increase resident tuition rates by up to 3 percent per year with an additional 1 percent increase authorized if the funding was used for extraordinary repairs.
- Adjusts Section 9 of the engrossed bill to require the State Board of Higher Education to report any FTE position adjustments made during the 2017-19 biennium as part of its 2019-21 biennium budget request submitted to the Office of Management and Budget. The House also adjusted this section.
- Adjusts Section 16 of the engrossed bill relating to data and reporting inconsistencies to require the State Board of Higher Education to address inconsistent employee leave policies. The House also adjusted this section.
- Adds a section to detail the amount of funding included in the bill for employee health insurance increases. The House also added this section.
- Amends Section 54-10-22.1 relating to disclosure of donor information during audits of higher education institution foundations. The House also added this section.
- Adds a section to Chapter 15-10 relating to the approval of building projects. The House added a similar section.
- Adds a section to Chapter 15-10 relating to the Nickel Trophy.

- Adds a section to Chapter 54-12 to create a tuition and fee waiver program for law enforcement officers.
- Adds a section to detail the amount of funding included in the University System office appropriation for education compact dues. The House also added this section.
- Adds a section to cancel \$5 million of general fund appropriation authority included in the student financial assistance grants line item in Chapter 3 of the 2015 Session Laws. This section will increase the general fund beginning balance for the 2017-19 biennium by \$5 million. The House provided for the cancellation of \$4 million of appropriation authority for the grants.
- Adds sections to authorize the State Board of Higher Education to convey land in Cass County and Grand Forks County. The House also added these sections.
- Adds sections to require the State Board of Higher Education to study the reorganization of 2-year institutions and nursing programs. The House also added these sections.
- Adds a section to provide for the State Board of Higher Education to consider options to enhance research networks. The section also provides for a Legislative Management report regarding the status of enhancements to research networks. The House also added this section.
- Adds a section of legislative intent that future general fund appropriations for the North Dakota State University College of Nursing in Bismarck be adjusted for savings from facility lease negotiations.
- Repeals Chapter 15-10.2 relating to the Midwestern Regional Higher Education Compact effective June 30, 2017. The House version also repealed this chapter.
- Adds a section for a Legislative Management study of the relationship between the University of North Dakota and the Energy and Environmental Research Center.

Engrossed SB 2003 was placed on the Seventh order of business on the calendar.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1012.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2018.

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

MR. PRESIDENT: The Speaker has signed: SB 2018.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that the House will stand in recess until 11:00 a.m.

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

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 26, 2017, I have signed the following: HB 1003 and HB 1403.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SANFORD MOVED that the conference committee report on Engrossed SB 2003 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2003, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact two new sections to chapter 15-10 and a new section to chapter 54-12 of the North Dakota Century Code, relating to approval of capital projects requested by institutions under the control of the state board of higher education, the nickel trophy, and tuition and fee waivers for law enforcement officers; and to amend and reenact sections 15-10-48, 15-10-49, 15-18.2-05, 15-18.2-06, 54-10-22.1, and 54-44.1-11 of the North Dakota Century Code, relating to matching grants for institutions under the control of the state board

of higher education, state aid to institutions, the minimum amount payable through the higher education funding formula, protecting donor records from audits of university and college foundations and the cancellation of unexpended appropriations; to repeal chapter 15-10.2 of the North Dakota Century Code, relating to the midwestern higher education compact; to provide for the transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide exemptions; to provide for the reallocation of oil and gas tax distributions; to authorize the conveyance of real property owned by the state of North Dakota; to provide for studies; to provide for legislative management reports; to provide legislative intent; 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 62 YEAS, 27 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Beadle; Becker, Rich S.; Blum; Boehning; Brabandt; Carlson; Damschen; Delmore; Dockter; Grueneich; Hatlestad; Heinert; Holman; Howe; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Lefor; Longmuir; Louser; Maragos; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; O'Brien; Oliver; Olson; Owens; Pollert; Pyle; Roers Jones; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Steiner; Streyle; Sukut; Vetter; Vigasaa; Westlind; Zubke

NAYS: Anderson, D.; Anderson, P.; Boe; Bosch; Boschee; Delzer; Devlin; Dobervich; Ertelt; Guggisberg; Hanson; Headland; Hogan; Johnson, C.; Johnston; Kreidt; Laning; Magrum; McWilliams; Paur; Porter; Ruby, M.; Simons; Skroch; Toman; Weisz; Speaker Bellew

ABSENT AND NOT VOTING: Becker, Rick C.; Brandenburg; Nelson, M.; Rohr; Trottier

Engrossed SB 2003, as amended, passed but the emergency clause failed.

SECOND READING OF SENATE BILL

SB 2035: A BILL for an Act to amend and reenact section 15-18.2-06 of the North Dakota Century Code, relating to the minimum amount payable through the higher education funding formula; and to declare an emergency.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 1 YEAS, 88 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Johnston

NAYS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Bellew

ABSENT AND NOT VOTING: Becker, Rick C.; Brandenburg; Nelson, M.; Rohr; Trottier

SB 2035 failed.

MOTION

REP. CARLSON MOVED that the House reconsider its action whereby the emergency clause on Engrossed SB 2003, as amended, failed to carry, which motion prevailed on a verification vote.

SECOND READING OF SENATE BILL

SB 2003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact two new sections to chapter 15-10 and a new section to chapter 54-12 of the North Dakota Century Code, relating to approval of capital projects requested by institutions under the control of the state board of higher education, the nickel trophy, and tuition and fee waivers for law enforcement officers; and to amend and reenact sections 15-10-48, 15-10-49, 15-18.2-05, 15-18.2-06, 54-10-22.1, and 54-44.1-11 of the North Dakota Century Code, relating to matching grants for institutions under the control of the state board of higher education, state aid to institutions, the minimum amount payable through the higher education funding formula, protecting donor records from audits of university and college foundations and the cancellation of unexpended appropriations; to repeal chapter 15-10.2 of the North Dakota Century Code, relating to the midwestern higher education compact; to provide for the transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide exemptions; to provide for the reallocation of oil and gas tax distributions; to authorize the conveyance of real property owned by the state of North Dakota; to provide for studies; to provide for legislative management reports; to provide legislative intent; 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 71 YEAS, 18 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Beadle; Becker, Rich S.; Blum; Boehning; Bosch; Boschee; Brabandt; Carlson; Damschen; Delmore; Devlin; Dockter; Grueneich; Hatlestad; Heinert; Hogan; Holman; Howe; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Maragos; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; O'Brien; Oliver; Olson; Owens; Pollert; Pyle; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Steiner; Streyle; Sukut; Toman; Vetter; Vigasaa; Weisz; Westlind; Zubke

NAYS: Anderson, D.; Anderson, P.; Boe; Delzer; Dobervich; Ertelt; Guggisberg; Hanson; Headland; Johnson, C.; Johnston; Magrum; McWilliams; Paur; Porter; Simons; Skroch; Speaker Bellew

ABSENT AND NOT VOTING: Becker, Rick C.; Brandenburg; Nelson, M.; Rohr; Trottier

Engrossed SB 2003, as amended, passed and the emergency clause was declared carried.

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

MR. PRESIDENT: The House has failed to pass, unchanged: SB 2035.

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 2003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1001.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1001.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1012.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1012.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2018.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has sustained the Governor's veto on HB 1019. The vote was 21 YEAS, 26 NAYS, 0 ABSENT AND NOT VOTING.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1024.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 27, 2017: HB 1012, HB 1020, HB 1024, HB 1152.

REPORT OF CONFERENCE COMMITTEE

HB 1023, as engrossed: Your conference committee (Sens. Krebsbach, Oehlke, Robinson and Reps. Vigesaa, Boehning, Keiser) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1579-1581, adopt amendments as follows, and place HB 1023 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1579-1581 of the House Journal and pages 1293-1296 of the Senate Journal and that Engrossed House Bill No. 1023 be amended as follows:

Page 1, line 2, remove "to provide a continuing appropriation; to limit the use of health insurance"

Page 1, line 3, remove "program reserves;"

Page 1, line 3, remove "amend and reenact subdivision j of subsection 2"

Page 1, remove lines 4 through 23

Page 1, line 24, replace "legislative intent" with "provide for solicitations of bids for the public employee health benefits coverage; to provide for a study; to create and enact sections 54-35-02.9 and 54-35-02.10 and a new subsection to section 54-52-04 of the North Dakota Century Code, relating to the public employee health care coverage committee and the authority of the retirement board; to amend and reenact sections 54-35-02.4 and 54-52.1-08.2 of the North Dakota Century Code, relating to the employee benefits programs committee; and to provide an expiration date"

Page 2, replace lines 9 through 13 with:

"Salaries and wages	\$6,315,360	\$809	\$6,316,169
Operating expenses	2,753,643	(61,422)	2,692,221
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>

Total special funds	\$9,319,003	(\$60,613)	\$9,258,390
Full-time equivalent positions	34.50	0.00	34.50"

Page 2, line 15, replace "\$102,885" with "\$95,431"

Page 2, line 16, replace "\$1,249" with "\$1,241"

Page 2, remove lines 27 through 31

Remove pages 3 through 109

Page 110, remove lines 1 through 13

Page 110, after line 20, insert:

**"SECTION 6. PUBLIC EMPLOYEE HEALTH INSURANCE PLANS -
SOLICITATION OF BIDS AND CONTRACTING.**

1. During the 2017-18 interim, in consultation with the public employee health care coverage committee and based on the recommendations of the legislative management, the retirement board shall design requests for proposals and shall solicit bids under section 54-52.1-04 for hospital, medical, and prescription drug benefits coverage for the active employee plan for the 2019-21 biennium. The board's primary bid must be for a self-insurance plan under section 54-52.1-04.2, and in accordance with section 54-52.1-04.2, the solicitation for bids must include a request for proposals for a fully insured plan or hybrid fully insured plan, or both.
2. Notwithstanding contrary provisions of law, in response to bids received under subsection 1, the board shall select the carrier or carriers and shall contract for the plan or plans that best serve the interests of the state and its eligible employees. In considering the interests of the state and its employees, the board's considerations must include consideration of flexibility of plan design, employee out-of-pocket costs, and premium. Except as otherwise provided by the sixty-sixth legislative assembly, the contract entered by the board under this subsection is effective for a term of two years and is subject to renewal and rebidding as provided under chapter 54-52.1.
3. A uniform group insurance program contract for hospital, medical, and prescription drug benefits coverage for active employees in effect for the period July 1, 2017, through June 30, 2019, terminates on June 30, 2019, after which the plan entered under subsection 2 becomes effective. Notwithstanding any law to the contrary, the uniform group insurance program contract for hospital, medical, and prescription drug benefits coverage for active employees entered by the retirement board which becomes effective July 1, 2017, is not subject to renewal for an additional two-year term for the 2019-21 biennium.

**SECTION 7. PUBLIC EMPLOYEE HEALTH CARE COVERAGE
COMMITTEE STUDY - REPORTS.**

1. During the 2017-18 interim, the public employee health care coverage committee shall study, review, and make recommendations regarding the terms of the retirement board's requests for proposals for hospital, medical, and prescription drug benefits coverage for active employees for the 2019-21 biennium as required under section 6 of this Act. In making recommendations, the committee shall consider the interests of the state and its eligible employees, including flexibility of plan design, employee out-of-pocket costs, and premium.
2. Before July 1, 2018, and then again before the end of the interim, the committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management, and the legislative management shall report the

findings and recommendations to the retirement board, the public employees retirement system, and the sixty-sixth legislative assembly.

SECTION 8. AMENDMENT. Section 54-35-02.4 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.4. Employee benefits programs committee - Powers and duties.

1. The employee benefits programs committee shall consider and report on these legislative measures and proposals over which ~~it takes the~~ committee exercises jurisdiction and which affect, actuarially or otherwise, the retirement programs of state employees or employees of any political subdivision, ~~and health and retiree health plans of state employees or employees of any political subdivision and the uniform group insurance program.~~ The committee shall make a thorough review of ~~any~~ a measure or proposal ~~over which it takes under its~~ over which the committee exercises jurisdiction, including an actuarial review. The committee shall take jurisdiction over any measure or proposal that authorizes an automatic increase or other change in benefits beyond the ensuing biennium which would not require legislative approval. The committee ~~must~~ shall include in the report of the committee a statement that the proposal would allow future changes without legislative involvement. The committee shall report its findings and recommendations, along with any necessary legislation, to the legislative management and to the legislative assembly.
2. To carry out its responsibilities, the committee, or its designee, may:
 - a. Enter contracts, including retainer agreements, with an actuary or actuarial firm for expert assistance and consultation. Each retirement, insurance, or retiree insurance program shall pay, from its retirement, insurance, or retiree health benefits fund, as appropriate, and without the need for a prior appropriation, the cost of any actuarial report required by the committee which relates to that program.
 - b. Call on personnel from state agencies or political subdivisions to furnish such information and render such assistance as the committee may from time to time request.
 - c. Establish rules for its operation of the committee, including the submission and review of proposals and the establishing of standards for actuarial review.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and may also study measures and proposals referred to ~~it~~ the committee by the legislative assembly or the legislative management.
4. ~~A copy of the committee's report concerning any legislative measure shall, if that measure is a legislative proposal over which the committee exercised jurisdiction is introduced for consideration by a legislative assembly, a copy of the related committee report must be appended to the copy of that measure which is referred to a standing committee.~~
5. A legislative measure affecting a public employees retirement program, ~~public employees health insurance program, or public employee retiree health insurance program or uniform group insurance program~~ may not be introduced in either house unless ~~it~~ the measure is accompanied by a report from the committee. A majority of the members of the committee, acting through the chairman, has sole authority to determine whether ~~any~~ a legislative measure affects a program.

6. ~~Any~~An amendment made during a legislative session to a legislative measure ~~affecting~~which would affect a public employees retirement program, ~~public employees health insurance program, or public-employee retiree health insurance or uniform group insurance~~ program may not be considered by a standing committee unless it is accompanied by a report from the employee benefits programs committee.
7. Any legislation enacted in contravention of this section is invalid and of no force and effect, and any benefits provided under such legislation must be reduced to the level current prior to enactment.
8. As used in this section, the term "uniform group insurance plan" does not include a uniform group insurance plan for hospital, medical, or prescription drug benefits coverage. The scope of the subject matter over which this committee has jurisdiction does not include legislative proposals or measures over which the public employee health care coverage committee has jurisdiction under section 54-35-02.10.

SECTION 9. Section 54-35-02.9 of the North Dakota Century Code is created and enacted as follows:

54-35-02.9. Public employee health care coverage committee - Appointment.

1. During each interim, the public employee health care coverage committee must be appointed as follows:
 - a. Four members of the senate appointed by the majority leader of the senate;
 - b. Two members of the senate appointed by the minority leader of the senate;
 - c. Four members of the house of representatives appointed by the majority leader of the house of representatives;
 - d. Two members of the house of representatives appointed by the minority leader of the house of representatives; and
 - e. No more than four nonvoting members appointed by the governor.
2. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees. However, a committee member appointed by the governor is not entitled to per diem and is entitled to mileage and expenses as provided by law for state officers and employees which is to be paid by the governor or by the employing agency if that member is an employee of the state.
3. The committee shall meet at least quarterly during the interim between regular legislative sessions.

SECTION 10. Section 54-35-02.10 of the North Dakota Century Code is created and enacted as follows:

54-35-02.10. Public employee health care coverage committee - Powers and duties - Standing committees - Legislative management.

1. During the interim between regular legislative sessions, the public employee health care coverage committee shall:
 - a. Receive from the public employees retirement system quarterly reports on the activities of the retirement board and the public employees retirement system relating to the health care coverage.

including the status of and any implemented or proposed changes to the health care coverage. The quarterly report must include status reports on contracts and contract negotiations relating to the health care coverage.

- b. Monitor the health care coverage, which may include receipt of public or aggregate utilization data, wellness initiative reports, and customer satisfaction surveys.
 - c. Investigate the feasibility and desirability of making changes to the health care coverage and related contracts for future bienniums and prepare and recommend legislation to pursue any recommended changes.
 - d. Study the health care coverage contract bidding and renewal process.
 - e. Receive reports regarding the impact of federal law on the health care coverage and the impact federal law may have on any proposed changes to the health care coverage.
 - f. Before each regular legislative session, receive from the public employees retirement system the executive budget proposals relating to the health care coverage for the upcoming biennium.
 - g. Consider and report on legislative proposals sponsored by the executive branch, judicial branch, and legislative management as provided under subsection 2.
 - h. Conduct studies as directed by the legislative assembly or the legislative management.
 - i. Report to the legislative management the committee's findings and recommendations, along with any legislation necessary to implement the committee's recommendations. During the interim, the committee may make multiple reports to the legislative management.
2. During the interim between regular legislative sessions, the committee may solicit draft legislative proposals from the executive branch, judicial branch, and legislative management. A legislative measure affecting the health care coverage may not be submitted by the executive branch, judicial branch, or legislative management for introduction in either house unless the measure is accompanied by a report from the committee. A majority of the members of the committee, acting through the chairman, has sole authority to determine whether a legislative proposal affects the health care coverage.
- a. If the committee determines a legislative proposal affects the health care coverage, either actuarially or otherwise, the committee shall conduct a thorough review of the proposal and shall prepare a report with the committee's recommendation regarding the legislative proposal. The review may include an actuarial report or other report of a third party.
 - b. If a legislative proposal for which the committee conducts a review under this subsection is introduced for consideration by the legislative assembly, a copy of the related committee report must be appended to the copy of that measure referred to a standing committee.
3. To carry out the committee's responsibilities, the committee may:
- a. Through the legislative management, enter a contract with an actuary or actuarial firm or other expert for expert assistance and consultation. The committee shall notify the public employees

retirement system of a contract entered under this subsection and, without need for a prior appropriation, the public employees retirement system shall pay the cost of the third-party assistance provided under the contract.

- b. Direct the public employees retirement system to provide the committee with an actuarial report or other analysis. Without the need for a prior appropriation, the public employees retirement system shall pay the cost of the report or analysis.
 - c. Call on personnel from state agencies or political subdivisions to furnish the information and render the assistance the committee may from time to time request.
 - d. Establish rules for operation of the committee, including the submission and review of legislative proposals and the establishing of standards for actuarial review.
4. During a legislative session, if a standing committee takes action on a legislative measure sponsored by a legislator or recommends an amendment to a legislative measure which would affect the health care coverage, the standing committee shall consider the impact, actuarially or otherwise, of the amendment or measure and may request the public employees retirement system provide an actuarial report or other analysis of the impact of the measure or amendments. If the public employees retirement system provides an analysis or other report under this subsection, the public employees retirement system may pay for the analysis or other report in the same manner as provided under subdivision b of subsection 3.
5. Upon receipt of findings and recommendations of the committee, the legislative management may make recommendations to the retirement board and the public employees retirement system.
6. This section does not require the retirement board or the public employees retirement system to disclose to the committee confidential or exempt information or records. However, upon request of the committee, the retirement board or public employees retirement system shall provide the committee with aggregate information as appropriate.
7. As used in this section, the term "health care coverage" means a uniform group insurance plan for hospital, medical, or prescription drug benefits coverage for an eligible employee which is provided under section 54-52.1-02.

SECTION 11. A new subsection to section 54-52-04 of the North Dakota Century Code is created and enacted as follows:

The board shall establish policies and implement procedures to make and collect payments in the most cost-effective manner, including the use of electronic transfer of funds.

SECTION 12. AMENDMENT. Section 54-52.1-08.2 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-08.2. Uniform group insurance program - Compliance with federal requirements - Group purchasing arrangements.

If the board determines that any a section or the phraseology of any a section of this chapter does not comply with applicable federal statutes or rules, the board shall adopt appropriate terminology with respect to that section to comply with the federal statutes or rules, subject to the approval of the legislative management's employee benefits programs committee. If the board seeks the approval of the employee benefits programs committee under this section, the board shall notify the public employee health care coverage committee. The board may assume

responsibility for group purchasing arrangements as provided by federal law. Any ~~plan modification~~ ~~modification~~ made by the board under this section ~~is~~ effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

SECTION 13. EXPIRATION DATE. Sections 8, 9, 10, and 12 of this Act are effective through July 31, 2019, and after that date are ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Public Employees Retirement System - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,315,360	\$6,323,623	(\$7,454)	\$6,316,169	\$6,316,169	
Operating expenses	2,753,643	2,620,799	71,422	2,692,221	2,692,221	
Contingencies	250,000	250,000		250,000	250,000	
Total all funds	\$9,319,003	\$9,194,422	\$63,968	\$9,258,390	\$9,258,390	\$0
Less estimated income	9,319,003	9,194,422	63,968	9,258,390	9,258,390	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	34.50	33.50	1.00	34.50	34.50	0.00

Department No. 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores FTE Position ²	Restores Funding for Operating Expenses ³	Total Conference Committee Changes
Salaries and wages	(\$7,454)			(\$7,454)
Operating expenses			71,422	71,422
Contingencies				
Total all funds	(\$7,454)	\$0	\$71,422	\$63,968
Less estimated income	(7,454)	0	71,422	63,968
General fund	\$0	\$0	\$0	\$0
FTE	0.00	1.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change, the same as the Senate version.

² One FTE position removed by the House is restored, the same as the Senate version.

³ A portion of the funding reduced by the House for operating expenses is restored, the same as the Senate version. Funding is restored as follows:

	Other Funds
Printing and postage costs for newsletter	\$29,752
Printing and postage costs for annual benefit statements	33,220
Other postage, printing, and supplies	8,450

This amendment also:

Removes sections:

- Limiting the use of funding in the health insurance reserve fund for reducing health insurance premium amounts; and

- Amending North Dakota Century Code to provide the Director of the Public Employees Retirement System be appointed by the Governor, changing the Public Employees Retirement System Board to an advisory board, and adjusting the membership and duties of the Employee Benefits Programs Committee.

Adds sections to:

- Establish, effective through July 31, 2019, a Public Employee Health Care Coverage Committee.
- Assign, effective through July 31, 2019, powers and duties to the Public Employee Health Care Coverage Committee.
- Amend, effective through July 31, 2019, the powers and duties of the Employee Benefits Programs Committee.
- Provide for a Public Employee Health Care Coverage Committee study and reports.

Engrossed HB 1023 was placed on the Seventh order of business on the calendar.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that the House will stand in recess until 2:00 p.m.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. VIGESAA MOVED that the conference committee report on Engrossed HB 1023 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1023, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1023: A BILL for an Act to provide an appropriation for defraying the expenses of the public employees retirement system; to provide for a transfer; to provide for solicitations of bids for the public employee health benefits coverage; to provide for a study; to create and enact sections 54-35-02.9 and 54-35-02.10 and a new subsection to section 54-52-04 of the North Dakota Century Code, relating to the public employee health care coverage committee and the authority of the retirement board; to amend and reenact sections 54-35-02.4 and 54-52.1-08.2 of the North Dakota Century Code, relating to the employee benefits programs committee; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 8 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Lefor; Louser; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Monson; Nathe; Nelson, J.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schobinger; Schreiber-Beck; Seibel; Skroch; Steiner; Streyle; Sukut; Toman; Vetter; Vigesaa; Weisz; Westlind; Zubke

NAYS: Boschee; Hanson; Hogan; Magrum; Mock; Schneider; Simons; Speaker Bellew

ABSENT AND NOT VOTING: Becker, Rick C.; Laning; Longmuir; Nelson, M.; Rohr; Trottier

Reengrossed HB 1023 passed.

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 1023.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1023.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has passed, unchanged: HB 1050.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1001.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1001.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1023, HB 1050.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1023, HB 1050.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1023, HB 1050.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 27, 2017: HB 1001.

REPORT OF CONFERENCE COMMITTEE

HB 1015, as reengrossed: Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Delzer, Carlson, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1951-1959, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services;"

Page 1, line 3, after the semicolon insert "to identify grant funding; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, replace "section" with "sections 5-02-01.1 and 6-09-15.1, subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 3, after "Code" insert "and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly"

Page 1, line 4, after the first "to" insert "alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities,"

Page 1, line 4, after "fees" insert ", property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace the "and" with "to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management;"

Page 1, line 5, after "report" insert "; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$1,798,578	\$21,596,832
Operating expenses	13,855,260	196,178	14,051,438
Emergency commission contingency fund	500,000	100,000	600,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(1,000)	554,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(400,000)	1,200,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,067,233	\$42,104,347
Less estimated income	<u>7,210,390</u>	<u>4,023,697</u>	<u>11,234,087</u>
Total general fund	\$30,826,724	\$43,536	\$30,870,260
Full-time equivalent positions	122.50	(5.50)	117.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Theodore Roosevelt center grant	0	500,000
Total all funds	\$16,305,303	\$2,300,000
Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
Total general fund	\$6,530,303	\$500,000"

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

"SECTION 4. APPROPRIATION - STATE AUDITOR. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds

derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,655,646	\$111,666	\$11,767,312
Operating expenses	1,176,806	(34,023)	1,142,783
North Dakota university system information technology security audits	200,000	(200,000)	0
Information technology consultants	<u>250,000</u>	<u>(250,000)</u>	<u>0</u>
Total all funds	\$13,282,452	(\$372,357)	\$12,910,095
Less estimated income	<u>3,505,870</u>	<u>(94,383)</u>	<u>3,411,487</u>
Total general fund	\$9,776,582	(\$277,974)	\$9,498,608
Full-time equivalent positions	59.80	(3.80)	56.00

SECTION 5. HEALTH INSURANCE INCREASE - STATE AUDITOR. The salaries and wages line item in section 4 of this Act includes the sum of \$140,696, of which \$104,201 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - NORTH DAKOTA STATE UNIVERSITY - MINARD HALL. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,634,854, or so much of the sum as may be necessary, to North Dakota state university for the purpose of paying unreimbursed costs related to the collapse of Minard hall, for the period beginning with the effective date of this section and ending June 30, 2017.

SECTION 7. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of institution operations, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$1,558,318, or so much of the sum as may be necessary, to the department of human services for the purpose of funding medical assistance grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$248,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$183,000,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGACY FUND EARNINGS ESTIMATE - 2017-19 BIENNIUM. For legislative council budget status reporting purposes, the sixty-fifth legislative assembly estimates \$200,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. ESTIMATE OF 2015-17 BIENNIUM UNEXPENDED GENERAL FUND APPROPRIATIONS. For legislative council budget status reporting purposes, as an update to the March 2017 legislative revenue forecast, the

sixty-fifth legislative assembly estimates \$52,000,000 of unexpended general fund appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 3, after line 9, insert:

"SECTION 14. OIL AND GAS IMPACT GRANT FUND - DEVELOPMENTAL DISABILITIES SERVICES PROVIDER GRANT. Notwithstanding chapter 57-62 or any of the designations in section 5 of chapter 463 of the 2015 Session Laws, the board of university and school lands shall award a grant of up to \$261,000, from any money deposited in the oil and gas impact grant fund for taxable events through June 30, 2017, to a community-based provider serving individuals with developmental disabilities, during the period beginning with the effective date of this section, and ending June 30, 2019. A provider is eligible to receive grant funding only if the provider is impacted by oil and gas development activity and is operating intermediate care facilities with locations in both the northwest and north central human service regions of the state. The recipient may use the grant proceeds only to provide settlement for any amounts owed to the department of human services or a bank. The department of human services may use a portion of the settlement payments received from the provider for repayments to the federal government. Before any grant funding may be paid to the provider, the board of university and school lands must receive certification of the following:

1. That the department of human services has reviewed actual cost reports and estimated audit settlement amounts.
2. That the provider has exhausted insurance recovery options and has restructured any outstanding debt.
3. The amounts owed to the department of human services and a bank.

SECTION 15. TOBACCO PREVENTION AND CONTROL TRUST FUND - ADMINISTRATION. The office of management and budget shall administer the tobacco prevention and control trust fund established in section 54-27-25 and transfer funds as necessary in accordance with legislative authorizations or appropriations from the fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, line 10, after "**EXEMPTION**" insert "**- FISCAL MANAGEMENT**"

Page 3, replace lines 15 through 17 with:

"SECTION 17. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, as contained in section 1 of chapter 49 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses	\$531,450
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SECTION 19. AMENDMENT. Section 5-02-01.1 of the North Dakota Century Code is amended and reenacted as follows:

5-02-01.1. Event permit authorized - Penalty.

1. The local governing body may by permit authorize a qualified alcoholic beverage licensee licensed under this chapter to engage in the sale of alcoholic beverages at events designated by the permit. For purposes of this section, "qualified alcoholic beverage licensee" means a licensee in a city that imposed a city lodging and restaurant tax on July 31, 1993, who paid such tax and who continues to pay any such tax imposed by

the city or a licensee in a county, a licensee in a city that did not impose a city lodging and restaurant tax on July 31, 1993, or a tribal licensee. A fee for the local permit may be set by ordinance or resolution at not more than twenty-five dollars. The permit may not be valid for a period greater than fourteen days and may include Sundays. The local governing body may establish rules to regulate and restrict the operation of an event permit. Any person who dispenses, sells, or permits the consumption of alcoholic beverages in violation of this section or the conditions of a permit is guilty of a class B misdemeanor.

2. The local governing body may authorize persons under twenty-one years of age to remain in the area of the event, or a portion thereof, where beer, wine, or sparkling wine may be sold pursuant to the permit. However, this authorization must be subject to the following minimum conditions:
 - a. The area where persons under twenty-one years of age may remain must be specifically set forth in the permit;
 - b. Only employees of the qualified alcoholic beverage licensee who are at least twenty-one years of age may deliver and sell the beer, wine, or sparkling wine; and
 - c. ~~Subject to section 5-02-06, the area where persons under twenty-one years of age may remain may not be the qualified alcoholic beverage licensee's fixed or permanent licensed premises as shown on the state and local governing body's alcoholic beverage license issued pursuant to section 5-02-01; and~~
 - d. No person under twenty-one years of age within the area described in the permit may consume, possess, or receive alcoholic beverages.

SECTION 20. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation - Report.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, ~~execute and issue on behalf of the state evidences of indebtedness on the state general fund which borrow from the Bank of North Dakota in an amount that at no time exceedexceeds the total principal amount of fifty million dollars with principal maturity of not more than twelve monthsnot to extend beyond the biennium in which the borrowing occurs.~~ As a condition precedent to the issuance and sale of the evidences of indebtedness~~loan~~, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year~~biennium~~ in which the evidences of indebtedness are to be issued~~loan is taken~~ will exceed the principal amount and interest on the evidences of indebtedness~~to be issuedloan~~. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund ~~by the purchase of the evidences of indebtedness~~ at such rates of interest as the industrial commission may prescribe. ~~After evidences of indebtedness have been issued and sold pursuant to this section, the~~ The state treasurer and the director of the office of management and budget shall establish a fund~~repayment plan~~ for the repayment of the principal upon maturity and the interest when due. ~~The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose. The office of management and budget shall report to the budget section of the legislative management regarding any loans obtained pursuant to this section.~~

SECTION 21. AMENDMENT. Subsection 8 of section 15-10-38 of the North Dakota Century Code as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

8. Upon notification the individual has completed a full year of teaching in a school district or, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

SECTION 22. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

SECTION 23. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee.

SECTION 24. AMENDMENT. Subsection 7 of section 47-02-27.4 of the North Dakota Century Code as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D]."

Page 4, replace lines 3 through 15 with:

"SECTION 26. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the state tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 27. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor shall request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans. Notwithstanding section 38-09-01 or any other provision of law, the state may not reserve any of the oil, natural gas, or minerals that may be found on or underlying land conveyed under this section.

SECTION 28. AMENDMENT. Section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

**SECTION 21. STUDY OF OIL AND GAS VALUATION -
REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION
COMMITTEE.**

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall ~~study~~consider studying the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:
 - a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.

- b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public service commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

SECTION 29. AMENDMENT. Section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. ~~House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.~~

SECTION 30. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 31. SUSPENSION. Section 54-35-23 of the North Dakota Century Code is suspended.

SECTION 32. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the state explore all options for permanent disposition of land and noncash assets acquired under section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, as amended by section 27 of this Act. Options to be explored include conveyance or transfer to the parks and recreation department, game and fish department, and private parties.

SECTION 33. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - e. The majority leader of the house of representatives and the majority leader of the senate;
 - f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.

3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds.
5. The committee may study tribal-state issues, including government-to-government relations, human services, education, corrections, and issues related to the promotion of economic development.
6. The chairman of the committee shall invite tribal chairmen to each committee meeting.
7. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND REVENUE DISTRIBUTION. During the 2017-18 interim, the legislative management shall consider studying the taxation of wind energy and the distribution of tax collections related to wind energy. The study must include consideration of the various methods of taxing wind energy, including production taxes, the parity of wind energy taxation in comparison to the taxation of other energy sources, and the current and historical distribution formulas related to wind energy taxes; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - REVENUE VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the ending fund balances in the general fund, budget stabilization fund, and foundation aid stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 36. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF BUDGET REDUCTIONS ON HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

1. The ability to recruit and retain research faculty graduate students and research assistants since January 1, 2016, and the resultant effect on courses available to students, professional preparation, and timely graduation;

2. Unused research equipment, research space not utilized to capacity, the associated costs to acquire the equipment and space, and the original funding sources for the equipment and space;
3. Grant dollars not applied for or acquired due to loss in capacity of grant writing, research personnel, or infrastructure;
4. The number of faculty and researchers who have left institutions under the control of the state board of higher education since January 1, 2016, their faculty rank, and the dollar amount of grants the faculty and researchers have taken with them;
5. Undergraduate research opportunities lost due to faculty attrition or increased faculty workloads;
6. Change in research output including publications, presentations, intellectual property, and other creative work used in national rankings' calculations; and
7. Preparation of undergraduate and graduate students on technical equipment and program certification by national and international professional bodies.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 37. EFFECTIVE DATE. Section 22 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 38. EXPIRATION DATE. Section 31 of this Act is effective through July 31, 2019, and after that date is ineffective.

SECTION 39. EMERGENCY. Sections 6, 14, 19, 27, and 32 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
State Auditor						
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
Dickinson State University						
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
DHS - Program/Policy						
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$38,037,114	\$38,593,573	\$18,854,187	\$57,447,760	\$55,125,834	\$2,321,926
Less estimated income	7,210,390	10,438,477	5,765,415	16,203,892	14,645,574	1,558,318
General fund	\$30,826,724	\$28,155,096	\$13,088,772	\$41,243,868	\$40,480,260	\$763,608

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$19,798,254	\$21,177,508	\$419,324	\$21,596,832	\$22,041,224	(\$444,392)
Operating expenses	13,855,260	12,909,988	1,141,450	14,051,438	14,068,438	(17,000)
Capital assets	200,000	973,477	800,000	1,773,477	1,773,477	
Grants	555,000	54,000	500,000	554,000	54,000	500,000
Emergency commission contingency fund	500,000	350,000	250,000	600,000	350,000	250,000
Guardianship grants	1,328,600	1,328,600		1,328,600	1,528,600	(200,000)
Prairie Public Broadcasting	1,600,000	800,000	400,000	1,200,000	1,400,000	(200,000)
State student internship program	200,000					
Cybersecurity remediation pool		1,000,000		1,000,000	1,000,000	
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
FTE	122.50	115.00	2.00	117.00	118.00	(1.00)

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Prairie Public Broadcasting ⁶
Salaries and wages	(\$24,676)	\$444,000				
Operating expenses			550,000	531,450	60,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie Public Broadcasting						400,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
FTE	0.00	2.00	0.00	0.00	0.00	0.00

	Adds Funding for a Grant to the Theodore Roosevelt Center ⁷	Adds Funding for Surplus Property Building ⁸	Adds Funding for Emergency Commission Contingency Fund ⁹	Total Conference Committee Changes
Salaries and wages				\$419,324
Operating expenses				1,141,450
Capital assets		800,000		800,000
Grants	500,000			500,000
Emergency commission contingency fund			250,000	250,000
Guardianship grants				
Prairie Public Broadcasting				400,000
State student internship program				
Cybersecurity remediation pool				
Total all funds	\$500,000	\$800,000	\$250,000	\$3,510,774
Less estimated income	0	800,000	0	795,610
General fund	\$500,000	\$0	\$250,000	\$2,715,164
FTE	0.00	0.00	0.00	2.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding of \$444,000 is added for 2 FTE unspecified positions. The House removed \$1,306,713 and 7.5 FTE positions. The Senate restored \$888,392 and 3 FTE positions,

which were removed by the House. The Conference Committee version includes the removal of 1 FTE facility construction engineer position, the same as the House version.

³ Funding of \$550,000 is added for utility rate increases, the same as the Senate version.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses, the same as the Senate version.

⁵ Funding of \$60,000 is added for revenue forecasting contract and travel expenses. The House removed \$77,000 related to revenue forecasting, and the Senate restored the \$77,000 that was removed by the House.

⁶ Funding of \$400,000 is added for Prairie Public Broadcasting to provide \$1,200,000. The House provided \$800,000 for Prairie Public Broadcasting, and the Senate provided \$1,400,000.

⁷ One-time funding of \$500,000 from the general fund is added for a grant to the Theodore Roosevelt Center at Dickinson State University.

⁸ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building, the same as the Senate version.

⁹ Funding is added to provide \$600,000 for the Emergency Commission contingency fund.

This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium, the same as the Senate version.
- Provides for a transfer of \$248 million from the strategic investment and improvements fund to the general fund for the 2017-19 biennium.
- Provides a transfer of \$183 million from the tax relief fund to the general fund for the 2017-19 biennium.
- Identifies \$200 million of estimated earnings of the legacy fund will be transferred to the general fund, an increase of \$40 million from the March 2017 legislative forecast.
- Identifies \$52 million of unexpended 2015-17 biennium appropriations, increasing the estimated July 1, 2017, balance by \$13.88 million compared to the March 2017 legislative forecast of \$38.12 million.
- Requires the Office of Management and Budget to administer the tobacco prevention and control trust fund.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property, the same as the Senate version.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000). The Senate also included the exemption.
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill, the same as the Senate version.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cashflow purposes, from \$10 million to \$50 million and to provide for a report to Budget Section. The Senate increased the borrowing authority to \$100 million.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover, the same as the Senate version.

House Bill No. 1015 - State Auditor - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$0	\$0	\$11,767,312	\$11,767,312	\$11,767,312	\$0
Operating expenses	0	0	1,142,783	1,142,783	1,142,783	0
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
FTE	0.00	0.00	56.00	56.00	56.00	0.00

Department No. 117 - State Auditor - Detail of Conference Committee Changes

	Adds Funding for the State Auditor ¹	Total Conference Committee Changes
Salaries and wages	\$11,767,312	\$11,767,312
Operating expenses	1,142,783	1,142,783
Total all funds	\$12,910,095	\$12,910,095
Less estimated income	3,411,487	3,411,487
General fund	\$9,498,608	\$9,498,608
FTE	56.00	56.00

¹ This amendment adds a section to provide funding for the State Auditor. House Bill No. 1004, which provided funding for the State Auditor, was vetoed by the Governor. Funding changes to the base level are summarized below:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	59.80	\$9,776,582	\$3,505,870	\$13,282,452
Base payroll changes		(99,658)	30,422	(69,236)
Health insurance increase		104,201	36,495	140,696
Removes an auditor V performance audit position	(1.00)	(277,191)		(277,191)
Removes an administrative officer position	(0.80)			0
Restores allotted funding for 4 FTE NDUS auditor positions		611,300		611,300
Removes 2 FTE NDUS auditor positions	(2.00)	(297,135)		(297,135)
Adds funding to reclassify a position		25,000		25,000
Underfunds salaries and wages		(21,768)		(21,768)
Adjusts funding for operating expenses		(72,723)	38,700	(34,023)
Removes funding for NDUS information technology security audits			(200,000)	(200,000)
Removes funding for information technology consultants		(250,000)		(250,000)
2017-19 Total Funding	56.00	\$9,498,608	\$3,411,487	\$12,910,095

This amendment also adds a section to identify additional funding provided for health insurance increases provided for the State Auditor's office, the same as the House and Senate versions of House Bill No. 1004.

House Bill No. 1015 - Dickinson State University - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Operations			\$875,000	\$875,000		\$875,000
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000

General fund						
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of Conference Committee Changes

	Adds Funding for Institution Operations ¹	Total Conference Committee Changes
Operations	\$875,000	\$875,000
Total all funds	\$875,000	\$875,000
Less estimated income	0	0
General fund	\$875,000	\$875,000
FTE	0.00	0.00

¹ Funding of \$875,000 is added from the general fund for Dickinson State University operations.

House Bill No. 1015 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Grants - Medical assistance			\$1,558,318	\$1,558,318		\$1,558,318
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 328 - DHS - Program/Policy - Detail of Conference Committee Changes

	Adds Funding for Medical Assistance Grants ¹	Total Conference Committee Changes
Grants - Medical assistance	\$1,558,318	\$1,558,318
Total all funds	\$1,558,318	\$1,558,318
Less estimated income	1,558,318	1,558,318
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,558,318 from federal funds or other funds is added for the medical services program.

House Bill No. 1015 - Other Changes - Conference Committee Action

This amendment also includes the following changes:

- Provides a deficiency appropriation of \$1,634,854 from the strategic investment and improvements fund to North Dakota State University for unreimbursed costs related to the collapse of Minard Hall and includes an emergency clause for the appropriation.
- Designates a grant of \$261,000 from the oil and gas impact grant fund for a provider serving individuals with developmental disabilities and includes an emergency clause for the grant.

- Amends Section 5-02-01.1 to allow local governing bodies to issue permits for special events serving alcohol and includes an emergency clause related to the amendment.
- Amends 15-10-38(8), as amended by Senate Bill No. 2037, to allow teachers in nonpublic schools to be eligible for a student loan forgiveness program.
- Adds a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection, the same as the Senate version.
- Amends the newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission, the same as the Senate version.
- Amends Section 47-02-27.4 as created by House Bill No. 1228 to allow certain business trusts to own real estate.
- Amends Section 57-20-04 relating to property tax increase reports by counties, the same as the Senate version.
- Amends a section of legislative intent in House Bill No. 1024 to exempt certain property sold by the state from the requirement that the state reserve a portion of the mineral rights.
- Amends an oil and gas valuation study in Senate Bill No. 2013 to remove certain requirements related to the study.
- Removes an effective date included in Senate Bill No. 2013 related to the provisions of House Bill No. 1300, which requires the Department of Trust Lands to follow the administrative rules process.
- Repeals Section 57-20-05 relating to certification of taxes levied by taxing districts, the same as the Senate version.
- Provides legislative intent regarding options to dispose of land that may be received by the state.
- Creates a Legislative Management committee to study tribal taxation and other issues and suspends the State and Tribal Relations Committee for the 2017-19 biennium. The Senate created the new committee.
- Provides for a Legislative Management study regarding taxation and distributions of tax collections related to wind energy. The Senate also included this study.
- Provides for a Legislative Management study regarding revenue volatility.
- Provides for a Legislative Management study regarding the impact of the budget reductions for higher education that occurred during the 2015-17 biennium.

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

ANNOUNCEMENT

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

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

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

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services; to provide for transfers; to identify grant funding; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city; to amend and reenact sections 5-02-01.1 and 6-09-15.1, subsection 8 of

section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and sections 54-06-04.3 and 57-20-04 of the North Dakota Century Code and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, relating to alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities, state agency publication fees, property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund; to provide exemptions; to provide statements of legislative intent; to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management; to provide for a budget section report; to provide an effective date; to provide an expiration 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 79 YEAS, 9 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dobervich; Dockter; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, K.; Kreidt; Lefor; Louser; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Owens; Paur; Pollert; Pyle; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Skroch; Steiner; Streyle; Sukut; Vetter; Vigasaa; Weisz; Westlind; Zubke

NAYS: Devlin; Johnston; Koppelman, B.; Magrum; Olson; Porter; Simons; Toman; Speaker Bellew

ABSENT AND NOT VOTING: Becker, Rick C.; Ertelt; Laning; Longmuir; Rohr; Trottier

Reengrossed HB 1015 passed and the emergency clause was declared carried.

ANNOUNCEMENT

REP. VIGESAA ANNOUNCED that the House would stand at ease awaiting further action in the Senate.

The House was called to order, with Speaker Bellew presiding.

MOTION

REP. VIGESAA MOVED that a committee of three be appointed to notify the Senate that the House has completed its business and is about to adjourn, which motion prevailed on a voice vote.

THE SPEAKER APPOINTED Reps. B. Koppelman, Dockter, and Kading.

MOTION

REP. VIGESAA MOVED that a committee of three be appointed to notify the Governor that the House has completed its business and is about to adjourn, which motion prevailed on a voice vote.

THE SPEAKER APPOINTED Reps. M. Ruby, Howe, and Hanson.

REQUEST

REP. B. KOPPELMAN REQUESTED that the committee appointed to notify the Senate that the House has completed its work and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

REQUEST

REP. M. RUBY REQUESTED that the committee appointed to notify the Governor that the House has completed its work and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has failed to pass, unchanged: HB 1406, HB 1407.

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 1015.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1015.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HB 1015.

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

MR. PRESIDENT: The Speaker has signed: HB 1015.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 27, 2017: HB 1015, HB 1023, HB 1050.

MOTION

REP. VIGESAA MOVED that the absent members be excused, which motion prevailed on a voice vote.

MOTION

REP. VIGESAA MOVED that the House be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned sine die.

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

Buell J. Reich, Chief Clerk

