

JOURNAL OF THE SENATE

Fifty-eighth Legislative Assembly

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Bismarck, April 9, 2003

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

The prayer was offered by Pastor Roger Will, Evangel Temple, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

CONSIDERATION OF AMENDMENTS

HB 1023, as reengrossed: SEN. KRINGSTAD (Appropriations Committee) MOVED that the amendments on SJ pages 1201-1203 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1023: A BILL for an Act to provide an appropriation for capital projects of various state departments; to provide an appropriation for the state facility energy improvement capital project of the department of corrections and rehabilitation; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to provide for a legislative council study; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 7 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nething; Nichols; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

NAYS: Bercier; Christenson; Fairfield; Flakoll; Mathern; Nelson; O'Connell

Reengrossed HB 1023, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF AMENDMENTS

HB 1489, as engrossed: SEN. COOK (Education Committee) MOVED that the amendments on SJ page 1203 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1489: A BILL for an Act to create and enact four new sections to chapter 15.1-18 of the North Dakota Century Code, relating to teacher qualifications; to amend and reenact sections 15.1-13-08, 15.1-18-01, and 15.1-18-02 of the North Dakota Century Code, relating to teacher qualifications; to provide for a report; to repeal section 15.1-18-03 of the North Dakota Century Code, relating to high school teacher qualifications; and to provide an effective date.

ROLL CALL

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

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

Engrossed HB 1489, as amended, passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1387: A BILL for an Act to amend and reenact section 48-01.1-09 of the North Dakota Century Code, relating to bonds by construction managers on public improvement projects.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 18 YEAS, 29 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bowman; Espegard; Freborg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lyson; Mutch; Nothing; Stenehjelm; Syverson; Thane; Tollefson; Traynor; Urlacher; Wardner

NAYS: Andrist; Bercier; Brown; Christenson; Christmann; Cook; Dever; Erbele; Every; Fairfield; Fischer; Flakoll; Grindberg; Heitkamp; Krauter; Lee, G.; Lee, J.; Lindaas; Mathern; Nelson; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Tallackson; Taylor; Trenbeath

Engrossed HB 1387 lost.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3079: A concurrent resolution urging Congress to continue the Schools and Libraries Universal Service Support Mechanism, more commonly known as the e-rate program.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

HCR 3079 was declared adopted, and the title was agreed to on a voice vote.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1489.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1023.

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

MR. SPEAKER: The Senate has passed unchanged: HCR 3079.

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

MR. SPEAKER: The Senate has failed to pass: HB 1387.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1014.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2154.

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2154

In lieu of the amendments adopted by the House as printed on pages 1200-1214 of the House Journal, Reengrossed Senate Bill No. 2154 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 15.1-07 and a new section to chapter 15.1-12 of the North Dakota Century Code, relating to school district plans and changes and interim funds; to amend and reenact subsection 5 of section 15.1-09-36, subsection 6 of section 15.1-27-01, sections 15.1-27-04, 15.1-27-05, 15.1-27-06, and 15.1-27-07, subsection 1 of section 15.1-27-10, subsection 4 of section 15.1-27-19, subsection 4 of section 15.1-27-21, sections 15.1-27-34, 15.1-27-37, 15.1-27-39, and 15.1-29-01, subsection 4 of section 15.1-29-06, sections 15.1-29-13 and 15.1-29-14, subsection 1 of section 15.1-30-01, section 15.1-30-05, subsection 2 of section 15.1-30-15, and

sections 15.1-31-05, 15.1-31-06, and 15.1-32-16 of the North Dakota Century Code, relating to per student payments, weighting factors, transportation aid, teacher compensation, and teacher compensation reimbursement; to provide for a legislative council study; to provide for contingent payments; to repeal sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code, relating to state transportation aid payments; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

School district demographics - Long-term planning process.

1. Between January first and June thirtieth of every even-numbered year, the board of each school district shall invite the public to participate in a planning process addressing the effects that demographics might have on the district in the ensuing five-year and ten-year periods, and specifically addressing potential effects on:
 - a. Academic, athletic, and extracurricular programs;
 - b. Instructional and administrative staffing;
 - c. Facility needs and utilization; and
 - d. District tax levies.
2. At the conclusion of the planning process, the board shall prepare a report, publish a notice in the official newspaper of the district indicating that the report is available, and make the report available upon request.

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

High school district - Change to elementary district - Prohibited.

1. Beginning July 2, 2003, a high school district may not become an elementary district.
2. Subsection 1 does not apply to elementary school districts participating in cooperative agreements approved by the superintendent of public instruction.

SECTION 3. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Interim fund.

1. The board of a school district may include in its budget an item to be known as the "interim fund". The interim fund must be carried over to the ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the school district may be legally extended for that portion of the fiscal year prior to the receipt of taxes.
2. The amount in the interim fund may not exceed the lesser of:
 - a. The amount reasonably required to finance the school district for the first nine months of the ensuing fiscal year; or
 - b. Fifty percent of the current annual appropriation for all purposes other than debt retirement and appropriations financed from bond sources plus twenty thousand dollars.

SECTION 4. AMENDMENT. Subsection 5 of section 15.1-09-36 of the North Dakota Century Code is amended and reenacted as follows:

5. If a board charges fees not authorized by law and refuses to discontinue the charges when directed to do so by the superintendent of public instruction, the superintendent shall withhold the ~~per student and transportation state~~ aid payments to which the district is entitled for each student charged an unauthorized fee.

SECTION 5. A new section to chapter 15.1-12 of the North Dakota Century Code is created and enacted as follows:

State board of public school education - Approval of elementary districts prohibited. The state board of public school education may not approve any reorganization plan that would result in the creation of an elementary district.

SECTION 6. AMENDMENT. Subsection 6 of section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

6. If funds appropriated for distribution to districts as ~~per student and transportation state~~ aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

SECTION 7. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-04. Per student payment. The per student payment to which each school district is entitled for the first year of the biennium is two thousand ~~two~~ five hundred ~~eighty-seven~~ nine dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand ~~three~~ six hundred ~~forty-seven~~ thirty-three dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

SECTION 8. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-05. (Effective through June 30, 2004) School district equalization factor. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~transportation aid~~, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

1. The product of ~~thirty-two~~ thirty-four mills times the latest available net assessed and equalized valuation of property in the district.
2. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of seventy-five percent of its actual expenditures plus twenty thousand dollars.

(Effective after June 30, 2004) School district equalization factor.

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, ~~transportation aid~~, and teacher compensation payments for which a school district is eligible and from that total subtract the following:
 - 4- a. The product of ~~thirty-two~~ thirty-six mills times the latest available net assessed and equalized valuation of property in the district.
 - 2- b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars.
2. Beginning July 1, 2005, and each year thereafter, the number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by two over the number of mills used in determining the product required by that subdivision the previous year, until the number of mills used by the superintendent of public instruction reaches an equity index equal to twenty-five percent of the state average school district general fund mill levy. Upon reaching the equity index, the superintendent of public

instruction shall annually adjust the number of mills in order to remain at the equity index.

3. Whenever the legislative assembly considers changes in state aid to education, the legislative assembly shall also review the rate established by subsection 2 for reaching the equity index and determine whether that rate should be adjusted proportionately.

SECTION 9. AMENDMENT. Section 15.1-27-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-06. Per student payments - Weighting factors - High school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. Each district having under seventy-five students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.625 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
2. Each district having at least seventy-five but fewer than one hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.335 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
3. Each district having at least one hundred fifty but fewer than five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.24 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
4. Each district having at least five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.14 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.
5. Each district having an approved alternative high school education program is entitled to receive the amount of money that results from multiplying the factor in:

- a. Subsection 1 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if fewer than seventy-five students in average daily membership are enrolled in the alternative education program.
 - b. Subsection 2 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least seventy-five but fewer than one hundred fifty students in average daily membership are enrolled in the alternative education program.
 - c. Subsection 3 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least one hundred fifty but fewer than five hundred fifty students in average daily membership are enrolled in the alternative education program.
 - d. Subsection 4 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least five hundred fifty students in average daily membership are enrolled in the alternative education program.
6. In order to be eligible for enumeration under this section, a student:
- a. Must have completed the work of the eighth grade;
 - b. Must not have completed the work of the twelfth grade; and
 - c. Must be a resident of this state or a nonresident attending a school in this state under the auspices of a foreign student exchange program.

SECTION 10. AMENDMENT. Section 15.1-27-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-07. Per student payments - Weighting factors - Elementary school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. a. Each district having only a one-room rural school is entitled to receive the amount of money that results from multiplying the factor 1.28 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.28 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through eight in that school, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment level provided for in this subdivision is applicable only to the first sixteen students.
- b. If the one-room rural school has more than sixteen students in average daily membership in grades one through eight, the district in which the school is located is entitled to receive ninety percent of the per student payment provided for in section 15.1-27-04 for each additional student. The district is not entitled to any payment for more than twenty students in average daily membership.
- c. If a one-room rural school is located in a district having another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six, as provided in this section.
- d. If a one-room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor

for the students in grade seven or eight must be the same as that provided for in subsection 5.

2. Except as provided in subsection 1, each school district having fewer than one hundred students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor 1.09 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
3. Each school district having at least one hundred students but fewer than one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .905 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.
4. Each school district having at least one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .95 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of the education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.
5. Each school district having students in grades seven and eight is entitled to receive the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades seven and eight in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher. The payments provided for in this subsection are not available for students who attend a one-room rural school if that school is the only one in the district that offers educational services to students in grades seven and eight.
6. Each school district having a special education program approved by the director of special education is entitled to receive, for each student who is enrolled in the program and who is at least three years of age but less than the compulsory age for school attendance, the amount of money that results from multiplying the factor 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor representing the

five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of special education students in average daily membership in the program who are at least three years of age but less than the compulsory age for school attendance, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.

7. a. Each school district operating a kindergarten as provided for in section 15.1-22-02 is entitled to receive the amount of money that results from multiplying the factor .50 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .50 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of kindergarten students in average daily membership in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
- b. In order to receive the full per student payment available under this section, a district must operate a kindergarten program that provides the equivalent of ninety full days of classroom instruction during a twelve-month period. A district is entitled to a prorated payment under this section if it operates a kindergarten program of shorter duration.
8. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
9. Each school district is entitled to receive as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.
10. A school district is not entitled to any payments provided for by this chapter unless each teacher employed by the district:
 - a. Holds a teaching license issued by the education standards and practices board; or
 - b. Has been approved to teach by the education standards and practices board.

SECTION 11. AMENDMENT. Subsection 1 of section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes ~~per student and transportation~~ state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.

SECTION 12. AMENDMENT. Subsection 4 of section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one-half percent of the total amount appropriated by the legislative assembly for ~~per student and transportation~~ state aid payments during the biennium, or eight

million dollars, whichever is less. No more than seventy-five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty-five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.

SECTION 13. AMENDMENT. Subsection 4 of section 15.1-27-21 of the North Dakota Century Code is amended and reenacted as follows:

4. The superintendent of public instruction shall pay the amount due under this section within the limits of legislative appropriations for ~~per student state aid payments and transportation aid.~~

SECTION 14. AMENDMENT. Section 15.1-27-34 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-34. Transfer of funds prohibited - Youth correctional center. The superintendent of public instruction may not transfer any portion of the funds appropriated for ~~per student state aid payments and transportation aid~~ to the youth correctional center to support the provision of educational services by the youth correctional center.

SECTION 15. AMENDMENT. Section 15.1-27-37 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15.1-16, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to ~~increase the~~ at least maintain the level of compensation of provided to teachers employed by the district during the 2002-03 school year.
2. The claim must include:
 - a. The number of full-time equivalent teachers employed by the district as of September fifteenth;
 - b. The number of full-time equivalent teachers ~~who will receive an increase in compensation over the amount paid during the previous~~ whose level of compensation will be at least equal to that provided during the 2002-03 school year; and
 - c. The total amount of ~~the increase in any~~ compensation increases provided to full-time equivalent teachers over the level of compensation provided during the 2002-03 school year.
3.
 - a. For the ~~2001-02~~ 2003-04 school year, the reimbursement provided for in this section may not exceed ~~one thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2001.~~
 - b. ~~Except as provided in subdivision c, for the 2002-03 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2002~~ 2003.
 - b. For the 2004-05 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September 15, 2004.
 - c. For the ~~2002-03~~ 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, ~~2002~~ 2003, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices

board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.

- d. For the 2003-04 school year, the reimbursement under this section for each individual employed as of September 15, 2004, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area vocational and technology center to which the district belongs.
5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 16. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. Beginning with the ~~2004-02~~ 2003-04 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, ~~a~~:
 - a. A minimum salary level of salary for the contract period equal to at least ~~eighteen~~ twenty-one thousand ~~five hundred~~ dollars; or
 - b. Total compensation for the contract period equal to at least twenty-six thousand dollars.
2. Beginning with the ~~2002-03~~ 2004-05 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, ~~a base~~:
 - a. A minimum salary level for the contract period equal to at least ~~twenty~~ twenty-two thousand five hundred dollars; or
 - b. Total compensation for the contract period equal to at least twenty-seven thousand five hundred dollars.

SECTION 17. AMENDMENT. Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-01. Education of students in bordering states - Payment of tuition.

1. Students may attend a school in a bordering state in accordance with section 15.1-29-02 under the following circumstances:
 - a. A student who lives within forty miles [64.37 kilometers] of another state or in a county bordering on another state may, with the approval of the school board, attend a public school in a bordering state.
 - b. A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.
 - c. A student whose sibling attended an out-of-state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state.
2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.
 - a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend

school in the bordering state and the board of the student's school district of residence shall pay the tuition.

- b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.
 - c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.
 - d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.
3.
 - a. The superintendent of public instruction shall forward all ~~per student and transportation state~~ aid payments for a student attending an out-of-state school to the student's school district of residence.
 - b. The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.
 - e. ~~Transportation payments for a student attending school in a bordering state must be determined as provided in section 15.1-27-27.~~
 4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

SECTION 18. AMENDMENT. Subsection 4 of section 15.1-29-06 of the North Dakota Century Code is amended and reenacted as follows:

4. A school district of residence may provide transportation to a student for whom tuition is paid under this section. If a school district of residence does not provide transportation to the student, it may be provided by the admitting district ~~and the admitting district is then entitled to state payments for the transportation of the student.~~

SECTION 19. AMENDMENT. Section 15.1-29-13 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-13. Tuition payments - Nonresident students.

1.
 - a. Except as provided in this subsection, the board of a school district that admits a nonresident student shall charge and collect tuition for the student. Either the student's district of residence shall pay the tuition to the admitting district in accordance with section 15.1-29-12 or the student's parent shall pay the tuition to the admitting district in accordance with section 15.1-29-07.
 - b. A board may charge tuition for nonresident students enrolled in an approved alternative education program.
 - c. Except as otherwise provided, if a school district fails to charge and collect tuition for a nonresident student, the districts shall forfeit any ~~per student payment and transportation state~~ aid otherwise payable for the nonresident student.
2.
 - a. The board of a school district may admit a nonresident student from another district in this state offering the same grade level as that in which the student is enrolled without a charge and collection of tuition if the sending and admitting districts have entered into a written contract regarding the student's admission.

- b. For purposes of determining whether the same grade level is offered, two or more school districts cooperating with each other for the joint provision of educational services under a plan approved by the superintendent of public instruction must be considered to be a single district.
 - c. The contract must specify whether transportation is to be provided and, if so, by which district. If a school district of residence does not provide transportation to the student, it may be provided by the admitting district and the admitting district is then entitled to state payments for the transportation of the student.
 - d. A contract is not necessary if the nonresident student is enrolled in an approved alternative education program for which no tuition is charged.
 - e. A school district may admit a nonresident student described in section 15.1-31-07 from another school district in this state without a charge and collection of tuition and without a written agreement.
3. A school district may not charge or collect from a nonresident student, the student's parent, or the student's district of residence any fees or charges not otherwise assessed to all resident students.

SECTION 20. AMENDMENT. Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition.

- 1. For purposes of applying this chapter, a student's school district of residence is the district in which the student resides:
 - a. At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;
 - b. At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;
 - c. At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or
 - d. At the time the student is voluntarily admitted to a state-operated institution or to a state-licensed child care home or facility.
- 2. The student's school district of residence is obligated to pay:
 - a. All charges for tuition upon claim of the admitting district; and
 - b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.
- 3.
 - a. If, after a student placement is made as provided for under subsection 1, the student's custodial parent establishes residency in another school district in this state, the school district in which the custodial parent has established residency becomes the student's school district of residence for purposes of paying tuition and tutoring charges under subsection 2.
 - b. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for ~~per student and transportation~~ state aid to schools:

- (1) If, after a student placement is made as provided for under subsection 1, the student's custodial parent establishes residency outside this state; or
 - (2) If a court orders a termination of parental rights with respect to the student's parents.
4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.
5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition from ~~per student payments and transportation~~ state aid otherwise payable to the student's school district of residence until the tuition due has been fully paid.
6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for special education in the case of a student with disabilities or from ~~funds appropriated for per student~~ state aid payments and transportation aid to schools in all other cases.
7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. If the student's custodial parent establishes residency outside this state, or if a court orders a termination of parental rights with respect to the student's parents, the state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for ~~per student and transportation~~ state aid to schools.
8.
 - a. The placing agency shall provide written notice regarding an initial placement and all subsequent placements of a student, by registered mail, to the superintendent of the student's school district of residence and to the superintendent of the admitting district:
 - (1) Within five working days after a placement is made under court order;
 - (2) Within five working days after an emergency placement is made; or
 - (3) At least ten working days prior to any other placement.
 - b. The written notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.
 - c. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.
9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition by

either the student's school district of residence or the superintendent of public instruction.

10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

SECTION 21. AMENDMENT. Subsection 1 of section 15.1-30-01 of the North Dakota Century Code is amended and reenacted as follows:

1. The board of a school district may:
 - a. Provide for the transportation of a student to and from school; or
 - b. If acceptable to the student's parent, reimburse the parent for expenses incurred in providing meals and lodging to the student outside the student's home, ~~provided that the reimbursement may not exceed the amount permitted under subsection 4 of section 15.1-27-27.~~

SECTION 22. AMENDMENT. Section 15.1-30-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-05. Schoolbus transportation services - Optional fee. The board of a school district that has not been reorganized may charge a fee for the provision of schoolbus transportation service to students. ~~If the service began before July 1, 1981, the total fees charged may not exceed an amount equal to the difference between the state transportation payment and the lesser of the state average cost for transportation or the district's cost during the preceding school year. If the service started on or after July 1, 1981, the total fees charged may not exceed an amount equal to the difference between the state transportation payment and the school district's cost of transportation during the preceding school year. A district that has not previously provided transportation to students shall base its fees on estimated costs during the first year transportation is provided.~~

SECTION 23. AMENDMENT. Subsection 2 of section 15.1-30-15 of the North Dakota Century Code is amended and reenacted as follows:

2. a. The board of a school district that provides transportation to its students may contract with other local, state, or federal government entities for the joint provision and integration of transportation services to the public.
- b. A contract under this section must provide for the observation of all safety requirements otherwise imposed by law on schoolbuses, on school vehicles, and on schoolbus drivers when students are being transported.
- e. ~~Transportation services to students provided pursuant to this subsection qualify for state transportation aid under chapter 15.1-27. However, no payments may be made from state funds for any costs incurred as a result of a deviation from established schoolbus routes necessitated by a contract pursuant to this subsection.~~

SECTION 24. AMENDMENT. Section 15.1-31-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-05. Open enrollment - Transportation. A school district of residence may provide transportation to a student participating in open enrollment. If a district of residence does not provide transportation to a student participating in open enrollment, transportation may be provided by the admitting district, ~~and the admitting district is then entitled to state payments for the transportation of that student.~~

SECTION 25. AMENDMENT. Section 15.1-31-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-06. Open enrollment - School boards - Standards.

1. The board of each school district shall set standards for the acceptance and denial of applications for admittance under open enrollment as provided in section 15.1-31-01. The standards may address the capacity of a program, class, grade level, or school building. The standards may not address previous academic achievement, participation in extracurricular activities, disabilities, English language proficiency, or previous disciplinary proceedings.
2. A board may also determine that applications for admittance under open enrollment, in accordance with this chapter, will not be considered.
3.
 - a. A school district participating in an open enrollment program may not give or offer to give a student remuneration, or directly exert influence on the student or the student's family, in order to encourage participation in the open enrollment program.
 - b. For purposes of this subsection, directly exerting influence means providing information about the school district to individuals who are not residents of that district unless the information is requested.
 - c. If the members of the board of a school district believe that another school district has violated this subsection, the board may file a complaint with the superintendent of public instruction. Upon receipt of a complaint alleging a violation of this subsection, the superintendent of public instruction shall hold a hearing and accept testimony and evidence regarding the complaint. If the superintendent finds that a school district has violated this subsection, the superintendent may withhold some or all of the ~~transportation~~ state aid payments to which the district would be otherwise entitled for a period of one year from the date of the finding. A decision by the superintendent under this subsection is appealable to the state board of public school education. A decision by the state board of public school education is final.

SECTION 26. AMENDMENT. Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

15.1-32-16. Transportation services - State reimbursement. If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party. ~~The school district is entitled to state reimbursement for the provision of transportation services to the student. If transportation is provided by a student's parent, the superintendent may reimburse the school district only for mileage costs.~~

SECTION 27. TRANSPORTATION GRANTS - DISTRIBUTION.

1. The superintendent of public instruction shall distribute from the grants - state school aid line item in Senate Bill No. 2013, as approved by the fifty-eighth legislative assembly, to each school district in the state an amount equal to the state transportation aid payments received by the school district during the 2001-03 biennium.
2. If two or more school districts reorganize into a single district on or after July 1, 2003, the superintendent of public instruction shall forward to the newly reorganized district an amount equal to the transportation payments received by each of the districts participating in the reorganization during the 2001-03 biennium.
3. If a school district that received transportation payments during the 2001-03 biennium dissolves on or after July 1, 2003, the superintendent of public instruction shall forward a percentage of the amount equal to that which the dissolved district received for transportation aid payments during the 2001-03 biennium to each school district that enrolls students who attended the dissolved school district during its final year of operation. Each school district eligible for payment under this subsection is entitled to receive that percentage of the total amount payable which is the same as the percentage that the number of district's students who attended the

dissolved school district during its final year of operation bears to the total number of students who attended the dissolved school district during its final year of operation.

4. During each year of the 2003-05 biennium, the superintendent of public instruction shall distribute one-half of the payments required by this section to school districts at the same time and in the same manner as required for state aid payments under section 15.1-27-01.

SECTION 28. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying the manner in which elementary and secondary education is funded in this state and the feasibility and desirability of instituting alternative funding methods. If the legislative council conducts this study, the legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 29. APPROPRIATION - REORGANIZATION BONUSES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a reorganization bonus to any school district having a reorganization effective on July 1, 2003, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 30. CONTINGENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS. If the superintendent of public instruction determines that the amount appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 will exceed the total of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent shall distribute the remaining funds as additional per student payments on a prorated basis, according to average daily membership of each school district during the 2004-05 school year.

SECTION 31. CONTINGENT PAYMENTS - TEACHER COMPENSATION REIMBURSEMENT PAYMENTS - ADDITIONAL PER STUDENT PAYMENTS. If the superintendent of public instruction determines that the amount appropriated for teacher compensation payments in the grants - teacher compensation payments line item in Senate Bill No. 2013 will exceed the total of all statutory obligations for teacher compensation reimbursement payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent shall distribute the remaining funds as additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

SECTION 32. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing supplemental payments to school districts under section 15.1-27-11, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 33. REPEAL. Sections 15.1-27-26, 15.1-27-27, 15.1-27-28, 15.1-27-29, 15.1-27-30, and 15.1-27-31 of the North Dakota Century Code are repealed.

SECTION 34. EFFECTIVE DATE. Section 3 of this Act is effective for taxable years beginning after December 31, 2003."

Renumber accordingly

MOTION

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

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

SECOND READING OF HOUSE BILL

HB 1504: A BILL for an Act to provide for a legislative council study of the state's business climate; and to provide for an appropriation.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Syverson

Engrossed HB 1504 passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that SB 2154 be placed at the top of the Twelfth order, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. FREBORG MOVED that the Senate do not concur in the House amendments to Reengrossed SB 2154, and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Reengrossed SB 2154: Sens. Freborg, Flakoll, Christenson.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. URLACHER MOVED that the Senate do not concur in the House amendments to Engrossed SB 2311 as printed on SJ pages 1088-1089 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2311: Sens. Wardner, Urlacher, Nichols.

MOTION

SEN. CHRISTMANN MOVED that SB 2194 be moved to the top of the Twelfth order, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. J. LEE MOVED that the Senate do concur in the House amendments to Reengrossed SB 2194 as printed on SJ pages 1167-1168, which motion prevailed on a voice vote.

Reengrossed SB 2194, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2194: A BILL for an Act to provide for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients; 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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Syverson

Reengrossed SB 2194 passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that SB 2409 be moved to the top of the Twelfth order, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KREBSBACH MOVED that the Senate do concur in the House amendments to Reengrossed SB 2409 as printed on SJ pages 1009-1010, which motion prevailed on a voice vote.

Reengrossed SB 2409, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2409: A BILL for an Act to create and enact two new sections to chapter 16.1-01, a new section to chapter 16.1-06, and a new section to chapter 16.1-13 of the North Dakota Century Code, relating to the secretary of state establishing an election fund, the establishment of a state-based voting grievance procedure and to certify and decertify electronic voting systems, and the casting of ballots after poll closings; to amend and reenact sections 16.1-01-01, 16.1-01-07, 16.1-05-04, 16.1-06-03, 16.1-06-04, 16.1-06-05, 16.1-06-08, 16.1-06-10.1, 16.1-06-11, 16.1-06-12, 16.1-06-14, 16.1-06-15, 16.1-06-17, 16.1-06-19, 16.1-07-13, 16.1-13-22, 16.1-13-24, 16.1-13-25, 16.1-13-26, 16.1-13-29, 16.1-13-32, 16.1-13-33, 16.1-15-01, 16.1-15-09, 16.1-15-10, subsection 5 of section 16.1-16-01, and sections 16.1-16-07 and 40-21-09 of the North Dakota Century Code, relating to the duties of the secretary of state concerning administration of elections authorizing direct-recording electronic voting systems and prohibiting voting machines, electronic voting systems, and counting machines employing punch cards; to repeal sections 16.1-06-10, 16.1-06-13, 16.1-06-24, and 16.1-15-11 of the North Dakota Century Code, relating to voting machines, requirements for voting machines, violations for tampering with voting machines, preparation of punch card ballots, and locking and securing voting machines; 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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nothing; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

ABSENT AND NOT VOTING: Syverson

Reengrossed SB 2409 passed, the title was agreed to, and the emergency clause was declared carried.

THE SENATE RECOGNIZED THE PRESENCE OF:

Former Senator Larry Schoenwald.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 8, 2003, I have signed the following: SB 2036, SB 2044, SB 2060, SB 2061, SB 2072, SB 2085, SB 2095, SB 2096, SB 2111, SB 2173, SB 2192, SB 2193, SB 2210, SB 2215, SB 2217, SB 2223, SB 2240, SB 2245, SB 2246, SB 2299, SB 2331, SB 2368, and SB 2404.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 9, 2003, I have signed the following: SB 2032, SB 2118, SB 2242, SB 2251, SB 2254, SB 2262, SB 2296, SB 2297, and SB 2322.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 9, 2003: SB 2099, SB 2222, SB 2253, SB 2259, SB 2302, SB 2319, SB 2320, SB 2323, SB 2330, SB 2339, SB 2340, SB 2346, SB 2348, SB 2350, SB 2360, SB 2385, SB 2405, SB 2420.

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

MR. SPEAKER: The Senate has passed unchanged: HB 1504.

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2194, SB 2337, and SB 2409.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2154 and SB 2311 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2154: Sens. Freborg; Flakoll; Christenson

SB 2311: Sens. Wardner; Urlacher; Nichols

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

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

SB 2010: Reps. Timm; Carlisle; Glassheim

SB 2016: Reps. Skarphol; Carlson; Kroeber

SB 2019: Reps. Carlson; Carlisle; Kroeber

SB 2020: Reps. Martinson; Rennerfeldt; Aarsvold

SB 2021: Reps. Martinson; Monson; Gulleon

SB 2022: Reps. Wald; Rennerfeldt; Gulleon

SB 2083: Reps. Weisz; Price; Sandvig

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

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

SB 2001: Reps. Koppelman; Thoreson; Warner

SB 2002: Reps. Thoreson; Koppelman; Warner

SB 2003: Reps. Carlisle; Timm; Warner

SB 2004: Reps. Skarphol; Timm; Glassheim

SB 2005: Reps. Carlson; Thoreson; Kroeber

SB 2007: Reps. Koppelman; Thoreson; Kroeber

SB 2008: Reps. Koppelman; Carlson; Glassheim

SB 2009: Reps. Carlson; Skarphol; Warner

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1001, HB 1002, HB 1004, HB 1007, HB 1010, HB 1013, and HB 1017 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1001: Reps. Martinson; Brusegaard; Aarsvold

HB 1002: Reps. Koppelman; Carlisle; Warner

HB 1004: Reps. Kempenich; Bellew; Kerzman

HB 1007: Reps. Kempenich; Delzer; Metcalf

HB 1010: Reps. Bellew; Kempenich; Kerzman

HB 1013: Reps. Koppelman; Thoreson; Kroeber

HB 1017: Reps. Wald; Brusegaard; Gulleon

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2335.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2335

Page 1, line 1, remove ", a"

Page 1, line 2, remove "new section to chapter 6-09,"

Page 1, remove lines 13 through 18

Page 2, line 1, replace "Sections 1 and 3 of this" with "This" and replace "are" with "is"

Page 2, line 2, replace "July 31, 2007" with "December 31, 2005" and replace "are" with "is"

ReNUMBER accordingly

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2013, SB 2416.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2013

Page 1, line 3, after the semicolon insert "to provide an appropriation; to provide for an exemption;" and replace the second "and" with a semicolon

Page 1, line 4, remove "contingent payments; and", remove "a", replace "statement" with "statements", and after "intent" insert "; to create and enact a new section to chapter 54-52 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; to amend and reenact subsection 3 of section 15-39.1-09, subsection 3 of section 54-52-01, subsection 5 of section 54-52-17.4, and subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; and to declare an emergency"

Page 1, line 15, replace "9,287,593" with "9,277,686"

Page 1, line 16, replace "13,102,674" with "12,923,270"

Page 1, line 18, replace "479,379,990" with "489,379,990"

Page 1, line 22, replace "182,075,244" with "182,255,244"

Page 1, line 23, replace "855,108,567" with "865,099,256"

Page 2, line 1, replace "265,915,532" with "266,058,803"

Page 2, line 2, replace "589,193,035" with "599,040,453"

Page 2, line 5, replace "2,081,564" with "2,078,571"

Page 2, line 6, replace "1,188,360" with "1,161,507"

Page 2, line 8, replace "4,666,731" with "4,636,885"

Page 2, line 9, replace "1,630,082" with "1,629,979"

Page 2, line 10, replace "3,036,649" with "3,006,906"

Page 2, line 13, replace "4,807,382" with "4,809,808"

Page 2, line 14, replace "1,105,746" with "1,091,403"

Page 2, line 16, replace "5,945,851" with "5,933,934"

Page 2, line 18, replace "5,074,402" with "5,062,485"

Page 2, line 21, replace "2,543,182" with "2,540,292"

Page 2, line 22, replace "702,603" with "697,821"

Page 2, line 24, replace "3,264,018" with "3,256,346"

Page 2, line 25, replace "1,170,572" with "1,170,108"

Page 2, line 26, replace "2,093,446" with "2,086,238"

Page 2, line 27, after "appropriation" insert "section 1 of" and replace "599,397,532" with "609,196,082"

Page 2, line 28, after "appropriation" insert "section 1 of" and replace "269,587,635" with "269,730,339"

Page 2, line 29, after "appropriation" insert "section 1 of" and replace "868,985,167" with "878,926,421"

Page 2, after line 29, insert:

"SECTION 2. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$10,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2003."

Page 3, after line 4, insert:

"SECTION 4. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 13 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used by the department of public instruction in conjunction with special funds received by the department for the purpose of providing a grant to fund the north central council of school television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools.

SECTION 5. LEGISLATIVE INTENT - ADULT EDUCATION PROGRAM. It is the intent of the legislative assembly that the additional \$20,000 of funding from the general fund provided for the department of public instruction's adult education program is to be distributed by the department to address salary concerns for those teachers who have not received the teacher compensation payments."

Page 4, remove lines 23 through 31

Page 5, remove lines 1 through 30

Page 6, after line 6, insert:

"SECTION 14. AMENDMENT. Subsection 3 of section 15-39.1-09 of the North Dakota Century Code is amended and reenacted as follows:

3. A person, except the superintendent of public instruction, who is certified to teach in this state by the education standards and practices board and who is first employed and entered upon the payroll of the superintendent of public instruction after January 6, 2001, may elect to become a participating member of the public employees retirement system. An election made by a person to participate in the public employees retirement system under this subsection is irrevocable. Nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, may elect to transfer to the public employees retirement system pursuant to section 16 of this Act.

SECTION 15. AMENDMENT. Subsection 3 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials who elect to remain members of the retirement system; provided, that judges of the supreme and district courts eligible under section 54-52-02.3 ~~and~~, appointed officials who elect to participate under section 54-52-02.5, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 16 of this Act are eligible employees and shall participate in the public employees retirement system. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

SECTION 16. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Participation by nonteaching employees of the office of the superintendent of public instruction. Notwithstanding any other provision of law, between the effective date of this Act and five o'clock p.m. on August 29, 2003, a nonteaching employee of the superintendent of public instruction, including the superintendent of public instruction, who is otherwise eligible to participate in the public employees retirement

system may file an election with the staff of the retirement and investment office to transfer from the teachers' fund for retirement to the public employees retirement system. The teachers' fund for retirement shall certify the employees who are eligible to transfer. An election to transfer is irrevocable for as long as the employee remains employed with the superintendent of public instruction. The teachers' fund for retirement shall certify a transferring employee's salary, service credit, contribution history, account balance, and any other necessary information to the public employees retirement system. The amount to be transferred is the greater of the actuarial present value of the employee's accrued benefit as of July 1, 2003, plus interest at the rate of seven and one-half percent from July 1, 2003, until the date the amount is transferred to the public employees retirement system or the employee's account balance as of the date of transfer. The public employees retirement system shall credit the transferring employee with the service credit specified by the teachers' fund for retirement and shall convert the annual salary history from the teachers' fund for retirement to a monthly salary for the period. An employee becomes a member of the public employees retirement system as of the date the funds are transferred. To be eligible to transfer, an employee must be employed by the office of the superintendent of public instruction at the date of the transfer. The superintendent of public instruction shall begin making retirement contributions, and the public employees retirement system shall begin receiving those retirement contributions, on behalf of employees who have elected to transfer to the public employees retirement system to that system the first of the month following the date of transfer.

SECTION 17. AMENDMENT. Subsection 5 of section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:

5. A participating member, or a member not presently under covered employment, may request credit for qualified military service pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 [Pub. L. 103-353; 108 Stat. 3150; 38 U.S.C. 4301-4307]. The member shall submit a qualified application with proof of eligible military service to the board in order to receive credit for military service. For credit on and after July 1, 1966, the member must pay four percent times the member's most recent monthly salary, times the number of months of credit being purchased, plus interest at a rate determined by the board. In addition, the governmental unit, or in the case of a member not under covered employment the last employing governmental unit, shall pay to the retiree health benefits fund established under section 54-52.1-03.2 ~~one percent~~ the percentage required by section 54-52.1-03.2 times the member's present monthly salary times the member's months of credit being purchased. For credit before July 1, 1966, no contribution is required.

SECTION 18. AMENDMENT. Subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and one-tenth percent of the monthly salary or wages of those nonteaching employee members,

beginning on the first of the month following the transfer under section 16 of this Act and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one percent of the monthly salary or wages of those nonteaching employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall:

- a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.
- b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the public employees retirement fund, not otherwise appropriated, the sum of \$3,000, or so much of the sum as may be necessary, to the public employees retirement system for the purpose of implementing sections 15 through 18 of this Act, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 20. EMERGENCY. Sections 2 and 4 of this Act are declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Public Employees Retirement System				
Total all funds	\$0	\$0	\$3,000	\$3,000
Less estimated income			<u>3,000</u>	<u>3,000</u>
General fund	\$0	\$0	\$0	\$0
Department of Public Instruction				
Total all funds	\$874,145,677	\$855,108,567	\$9,990,689	\$865,099,256
Less estimated income	<u>265,980,642</u>	<u>265,915,532</u>	<u>143,271</u>	<u>266,058,803</u>
General fund	\$608,165,035	\$589,193,035	\$9,847,418	\$599,040,453
State Library				
Total all funds	\$4,687,581	\$4,666,731	(\$29,846)	\$4,636,885
Less estimated income	<u>1,630,863</u>	<u>1,630,082</u>	<u>(103)</u>	<u>1,629,979</u>
General fund	\$3,056,718	\$3,036,649	(\$29,743)	\$3,006,906
School for the Deaf				
Total all funds	\$5,994,124	\$5,945,851	(\$11,917)	\$5,933,934
Less estimated income	<u>871,449</u>	<u>871,449</u>		<u>871,449</u>
General fund	\$5,122,675	\$5,074,402	(\$11,917)	\$5,062,485
North Dakota Vision Services - School for the Blind				
Total all funds	\$3,290,629	\$3,264,018	(\$7,672)	\$3,256,346
Less estimated income	<u>1,198,474</u>	<u>1,170,572</u>	<u>(464)</u>	<u>1,170,108</u>
General fund	\$2,092,155	\$2,093,446	(\$7,208)	\$2,086,238
Bill Total				
Total all funds	\$888,118,011	\$868,985,167	\$9,944,254	\$878,929,421
Less estimated income	<u>269,681,428</u>	<u>269,587,635</u>	<u>145,704</u>	<u>269,733,339</u>
General fund	\$618,436,583	\$599,397,532	\$9,798,550	\$609,196,082

Senate Bill No. 2013 - Public Employees Retirement System - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			<u>\$3,000</u>	<u>\$3,000</u>
Total all funds	\$0	\$0	\$3,000	\$3,000
Less estimated income			<u>3,000</u>	<u>3,000</u>

General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Dept. 192 - Public Employees Retirement System - Detail of House Changes

	PROVIDES FUNDING FOR ADMINISTRATION ¹	TOTAL HOUSE CHANGES
Operating expenses	<u>\$3,000</u>	<u>\$3,000</u>
Total all funds	\$3,000	\$3,000
Less estimated income	<u>3,000</u>	<u>3,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment provides the Public Employees Retirement System a special funds appropriation of \$3,000 for implementing the changes necessary to allow for nonteaching employees of the Department of Public Instruction to transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

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

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$9,572,703	\$9,287,593	(\$9,907)	\$9,277,686
Operating expenses	13,527,674	13,102,674	(179,404)	12,923,270
Capital assets	15,000	15,000		15,000
Hold harmless payments	1,200,000			
Reorganization bonuses and joint powers	1,000,000			
Grants - State school aid	478,056,990	479,379,990	10,000,000	489,379,990
Grants - Teacher compensation payments	66,277,000	51,854,000		51,854,000
Grants - Revenue supplement payments	3,200,000			
Grants - Tuition apportionment	69,495,371	69,495,371		69,495,371
Grants - Special education	49,898,695	49,898,695		49,898,695
Grants - Other grants	<u>181,902,244</u>	<u>182,075,244</u>	<u>180,000</u>	<u>182,255,244</u>
Total all funds	\$874,145,677	\$855,108,567	\$9,990,689	\$865,099,256
Less estimated income	<u>265,980,642</u>	<u>265,915,532</u>	<u>143,271</u>	<u>266,058,803</u>
General fund	\$608,165,035	\$589,193,035	\$9,847,418	\$599,040,453
FTE	93.25	93.25	0.00	93.25

Dept. 201 - Department of Public Instruction - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	INCREASES STATE FUNDING FOR SCHOOL AID ³	INCREASES FUNDING FOR TEACHER CENTERS ⁴	INCREASES FUNDING FOR ADULT EDUCATION ⁵	PROVIDES SPECIAL FUNDS AUTHORITY FOR OTHER GRANTS ⁶
Salaries and wages	(\$9,907)					
Operating expenses		(\$179,404)				
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid			\$10,000,000			
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants				<u>\$10,000</u>	<u>\$20,000</u>	<u>\$150,000</u>
Total all funds	(\$9,907)	(\$179,404)	\$10,000,000	\$10,000	\$20,000	\$150,000
Less estimated income	<u>(6,729)</u>					<u>150,000</u>
General fund	(\$3,178)	(\$179,404)	\$10,000,000	\$10,000	\$20,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
		TOTAL HOUSE CHANGES				

Salaries and wages	(\$9,907)
Operating expenses	(179,404)
Capital assets	
Hold harmless payments	
Reorganization bonuses and joint powers	
Grants - State school aid	10,000,000
Grants - Teacher compensation payments	
Grants - Revenue supplement payments	
Grants - Tuition apportionment	
Grants - Special education	
Grants - Other grants	<u>180,000</u>
Total all funds	\$9,990,689
Less estimated income	<u>143,271</u>
General fund	\$9,847,418
FTE	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$179,404 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

³ Engrossed Senate Bill No. 2154, as amended by the House, increases the state school aid per student payment for the first year of the biennium from \$2,497 as recommended by the Senate to \$2,509 and the payment for the second year of the biennium from \$2,619 as recommended by the Senate to \$2,633. The executive budget recommended per student payments of \$2,430 for the first year and \$2,528 for the second year. To properly account for the increase in state school aid per student payments, funding of \$10 million is added to the state school aid funding, increasing funding from \$479,379,990 as recommended by the Senate to \$489,379,990.

⁴ This amendment increases funding from the general fund for support of teacher centers from \$220,000 to \$230,000.

⁵ This amendment increases funding from the general fund for adult education by \$20,000, from \$900,000 to \$920,000. The funding is to be allocated as determined by the department to address salary concerns for the teachers in the adult education program who have not received teacher compensation payments.

⁶ This amendment provides the department with additional special funds spending authority of \$150,000. The funding is to be used by the department in conjunction with \$105,000 of general fund carryover from the 2001-03 biennium for providing a grant for the purpose of funding the North Central Council of School Television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools.

This amendment also:

- Adds a section to the bill appropriating \$10 million of special funds derived from federal funds to the department for the purpose of providing grants to school districts for the period beginning with the effective date of the Act and ending June 30, 2003.
- Amends the North Dakota Century Code to provide that nonteaching employees of the Department of Public Instruction may transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

Senate Bill No. 2013 - State Library - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,102,414	\$2,081,564	\$2,993	\$2,078,571
Operating expenses	1,188,360	1,188,360	(26,853)	1,161,507
Grants	<u>1,396,807</u>	<u>1,396,807</u>		<u>1,396,807</u>
Total all funds	\$4,687,581	\$4,666,731	(\$29,846)	\$4,636,885
Less estimated income	<u>1,630,863</u>	<u>1,630,082</u>	<u>(103)</u>	<u>1,629,979</u>
General fund	\$3,056,718	\$3,036,649	(\$29,743)	\$3,006,906
FTE	28.75	28.75	0.00	28.75

Dept. 250 - State Library - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,993)		(\$2,993)
Operating expenses		(\$26,853)	(26,853)
Grants			
Total all funds	(\$2,993)	(\$26,853)	(\$29,846)
Less estimated income	<u>(103)</u>		<u>(103)</u>

General fund	(\$2,890)	(\$26,853)	(\$29,743)
FTE	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$26,853 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

Senate Bill No. 2013 - School for the Deaf - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$4,855,655	\$4,807,382	\$2,426	\$4,809,808
Operating expenses	1,105,746	1,105,746	(14,343)	1,091,403
Capital assets	<u>32,723</u>	<u>32,723</u>		<u>32,723</u>
Total all funds	\$5,994,124	\$5,945,851	(\$11,917)	\$5,933,934
Less estimated income	<u>871,449</u>	<u>871,449</u>		<u>871,449</u>
General fund	\$5,122,675	\$5,074,402	(\$11,917)	\$5,062,485
FTE	51.85	51.85	0.00	51.85

Dept. 252 - School for the Deaf - Detail of House Changes

	PROVIDES FUNDING FOR SALARY SCHEDULE 1	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	TOTAL HOUSE CHANGES
Salaries and wages	\$8,205	(\$5,779)		\$2,426
Operating expenses			(\$14,343)	(14,343)
Capital assets				
Total all funds	\$8,205	(\$5,779)	(\$14,343)	(\$11,917)
Less estimated income				
General fund	\$8,205	(\$5,779)	(\$14,343)	(\$11,917)
FTE	0.00	0.00	0.00	0.00

¹ This amendment provides funding of \$8,205 from the general fund to fully fund the composite schedule at the School for the Deaf.

² This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$14,343 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

Senate Bill No. 2013 - North Dakota Vision Services - School for the Blind - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,569,793	\$2,543,182	(\$2,890)	\$2,540,292
Operating expenses	702,603	702,603	(4,782)	697,821
Capital assets	<u>18,233</u>	<u>18,233</u>		<u>18,233</u>
Total all funds	\$3,290,629	\$3,264,018	(\$7,672)	\$3,256,346
Less estimated income	<u>1,198,474</u>	<u>1,170,572</u>	(464)	<u>1,170,108</u>
General fund	\$2,092,155	\$2,093,446	(\$7,208)	\$2,086,238
FTE	27.00	27.00	0.00	27.00

Dept. 253 - North Dakota Vision Services - School for the Blind - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,890)		(\$2,890)
Operating expenses		(\$4,782)	(4,782)
Capital assets			
Total all funds	(\$2,890)	(\$4,782)	(\$7,672)
Less estimated income	(464)		(464)
General fund	(\$2,426)	(\$4,782)	(\$7,208)
FTE	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$4,782 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2416

Page 1, line 8, remove "in an amount not to exceed \$5,000,000"

Page 1, remove lines 14 and 15

Page 1, line 23, replace "\$8,000,000" with "\$2,000,000"

Page 2, after line 3, insert:

"SECTION 3. LEGISLATIVE INTENT - STATE HISTORICAL SOCIETY OF NORTH DAKOTA - INTERPRETIVE CENTERS EXPANSION. It is the the intent of the fifty-eighth legislative assembly that \$600,000 of the required federal, local, or donated funds responsibility as provided in section 2 of this Act, \$300,000 for each interpretive center, must be collected before the state historical society may begin the expansion of the interpretive centers."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

HOUSE - Removes the project authorization for the North Dakota Heritage Center archives addition (Phase I of the Heritage Center expansion project) for \$6,000,000 and requires \$600,000, \$300,000 for each interpretive center, of federal, local, or donated funds be collected before expansion of interpretive centers may begin.

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause failed: SB 2015.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 4, after the semicolon insert "to create and enact two new sections to chapter 54-59 of the North Dakota Century Code, relating to required information technology services and duties of the information technology department;" and replace the second "section" with "sections 54-35-18, 54-35-18.1, and 54-35-18.2, subsection 2 of section 54-44.1-06, and sections 54-44.1-12, 54-59-05, 54-59-09, and"

Page 1, line 5, replace "suspending" with "the electric industry competition committee, preparation of budget data, budget allotments, powers and duties of the information technology department, information technology standards, and"

Page 1, line 7, remove "a statement"

Page 1, line 8, remove "of", after "intent" insert "; to require an examination of mineral severance tax application to federal lands and lands of quasi-federal entities; to require reports to the legislative assembly; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of certain appropriation bills; to provide for reports to the budget section; to provide for legislative council studies; to provide for the transfer of state agency information technology positions; to provide for the transfer of higher education information technology functions; to provide an appropriation", and replace "provide an expiration date" with "declare an emergency"

Page 1, line 16, replace "15,404,949" with "15,533,036"

Page 1, line 17, replace "11,461,745" with "10,573,616"

Page 1, line 19, replace "179,000" with "179,000"

Page 1, after line 19, insert:

"Technology critical needs pool

1,000,000"

Page 1, line 20, replace "27,778,694" with "28,018,652"

Page 1, line 21, replace "7,891,748" with "7,915,492"

Page 1, line 22, replace "19,886,946" with "20,103,160"

Page 2, remove line 17

Page 2, line 20, replace "special funds" with "\$2,000,000", replace "land" with "lands", and remove "in the amount of"

Page 2, line 21, remove "\$3,000,000"

Page 2, line 23, after "transfer" insert "\$14,300,000"

Page 2, line 24, replace "any balance remaining in" with "from" and remove "as of July 1, 2003"

Page 3, remove lines 10 through 22

Page 4, after line 2, insert:

"SECTION 12. AMENDMENT. Section 54-35-18 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18. (Effective through August 1, 2003~~2007~~) Electric industry competition - Need for study. The legislative council shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state. The legislative assembly finds that the economy of this state depends on the availability of reliable, low cost, electric energy. There is a national trend toward competition in the generation, transmission, and distribution of electric energy and the legislative assembly acknowledges that this competition has both potential benefits and adverse impacts on this state's electric suppliers as well as on their shareholders and customers and the citizens of this state. The legislative assembly determines that it is in the best interests of the citizens of this state to study the effects of competition on the generation, transmission, and distribution of electric energy.

SECTION 13. AMENDMENT. Section 54-35-18.1 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18.1. (Effective through August 1, 2003~~2007~~) Electric industry competition committee - Composition.

1. The legislative council shall appoint a committee to study electric industry competition.
2. The committee shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state and on the state's electric suppliers.
3. As used in sections 54-35-18 through 54-35-18.2, "electric suppliers" means public utilities regulated under title 49, rural electric cooperatives organized under chapter 10-13, municipal electric utilities organized under chapters 40-33 and 40-33.2, and power marketers.
4. The committee consists of:
 - a. ~~Three or four~~ Six members of the house of representatives, ~~no more than two of whom may be from the same political party~~ four of whom must be from the majority political party and two of whom must be from the minority political party.
 - b. ~~Three or four~~ Six members of the senate, ~~no more than two of whom may be from the same political party~~ four of whom must be from the majority political party and two of whom must be from the minority political party.
5. The chairman of the legislative council shall name one of the members as chairman.

SECTION 14. AMENDMENT. Section 54-35-18.2 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18.2. (Effective through August 1, 2003~~2007~~) Electric industry competition committee - Study areas. The electric industry competition committee shall study this state's electric industry competition and electric suppliers and shall report to the legislative council in the same manner as do other interim legislative council committees, concerning the following issues:

1. Financial issues, including:
 - a. The interests of residential customers, including:
 - (1) Fairness of rates, terms, and conditions of service for services chosen.
 - (2) Affordability of rates, bills, and services.
 - (3) Stability and predictability of rates and bills.
 - (4) Reliability and quality of power supply.
 - (5) Assurance that rates, terms, and conditions are nondiscriminatory.
 - (6) Ability of customers to understand potential energy choices.
 - (7) Importance of a fair dispute resolution process.
 - (8) Potential for rates to reflect the customer's desired level of energy reliability and availability.
 - b. The interests of small business customers, large business customers, shareholders, and other stakeholders, including:
 - (1) Fairness of rates, terms, and conditions of service for the services chosen by customers.
 - (2) Affordability of rates, bills, and services for customers.
 - (3) Stability and predictability of customers' rates and bills.
 - (4) Assurance that rates, terms, and conditions are nondiscriminatory for all customers.
 - (5) Ability of customers to understand potential energy choices and the implications of these choices.
 - (6) Importance of a fair dispute resolution process for customers.
 - (7) Potential for rates to reflect the customer's desired level of energy reliability and availability.
 - c. Financial integrity of and cost of capital to electric power suppliers.
 - d. Taxes paid by electric suppliers, including franchise taxes, excise taxes, income taxes, ad valorem taxes, in lieu taxes, and real and personal property taxes.
 - e. Tax implications to local governments.
 - f. Quantification and recovery of stranded investments by electric power suppliers, including those resulting from:
 - (1) Customers who have a legal obligation to bear certain costs, who find a way to avoid those obligations, and who leave without paying costs incurred on the customer's behalf; and
 - (2) The costs of investments that exceed their value in the competitive market.
 - g. Pricing of transmission and distribution services.
 - h. Pricing and rate subsidies for all classes of customers.
 - i. Unbundling of costs of services.
2. Legal issues, including:

- a. State, tribal, and federal jurisdiction.
 - b. State statutory and regulatory constraints and oversight of the electric industry.
 - c. Those related to the federal energy regulatory commission.
 - d. Commerce clause constraints.
 - e. Review of existing state laws, rules, and constitutional provisions that affect the generation, transmission, and distribution of electric energy, including the need and appropriateness of regulatory reforms for services that will continue to be provided by a regulated utility.
 - f. Interstate reciprocity and the regional nature of the industry.
 - g. Continuing obligations of an electric supplier to serve customers.
 - h. Use and protection of proprietary information in a competitive market.
3. Social issues, including:
- a. Planning and operation of electric suppliers, including integrated resource planning.
 - b. Efficiency and sufficiency of an aggregate supply of energy.
 - c. Environmental impacts.
 - d. Impact on the development and use of renewable resources.
 - e. Appropriate and proper method of recovery of the cost of social, low income, and noneconomic renewable energy programs in order to ensure that costs are fairly and equitably shared among all customers of electric energy.
4. Issues related to system planning, operation, and reliability, including:
- a. Electric system reliability.
 - b. Provisions by which customers would be permitted to have a choice of generation providers.
 - c. Applicability of regulatory reliability criteria to nonutility market participants.
 - d. Form and requirements of contracts for the sale and purchase of electric energy.
 - e. Requirements for metering energy usage at the customer's location.
 - f. Designation and regulation of ancillary services.
5. Identification and review of potential market structures, including:
- a. Possible market structures for a deregulated generation market and transmission market and whether these structures should be mandated or allowed to form voluntarily.
 - b. Formation of market segments in response to customer requirements.
 - c. Impact on the investment stability of the electric utility industry.
 - d. Impact on multipurpose entities.
 - e. Potential to improve economic efficiency.
 - f. Size of the market and the extent to which its size impacts the level of benefits for customers or groups of customers.

- g. Ability of participants with control over the electricity generation and transmission system to exercise market power over pricing or the need for controls to prevent the exercise of market power.
 - h. Controls or bans on corporate relationships between regulated utilities and emerging competitive sectors.
 - i. Barriers to achieving nondiscriminatory competition among electric suppliers, including review of federal and state tax issues, availability of federal subsidies to certain energy suppliers, application of federal laws that impose regulatory requirements on the electric utility industry, and jurisdiction of the federal energy regulatory commission over competitors.
 - j. Viability of all customers to participate in and benefit from a competitive electricity market, including:
 - (1) Risks and responsibilities that customers or classes of customers incur by participating in a competitive market.
 - (2) Costs of gathering, processing, and managing information on the price and quality of electricity.
 - (3) Benefits to customers or classes of customers from participation in a competitive electricity market.
6. Whether and to what extent power produced by the Garrison dam should be taxed by the state.
7. The source and cost of power supplied to the state's Indian reservations.
8. Other issues related to the generation, transmission, and distribution of electric energy.

SECTION 15. AMENDMENT. Subsection 2 of section 54-44.1-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.

SECTION 16. AMENDMENT. Section 54-44.1-12 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-12. Control over rate of expenditures. The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Any allotment must be made to the extent necessary to address any projected deficiency appropriations for agencies receiving moneys from the fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

1. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
2. The payment or the obligation incurred is not authorized by law.
3. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
 - a. Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and
 - b. Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.
4. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated.

SECTION 17. Two new sections to chapter 54-59 of the North Dakota Century Code are created and enacted as follows:

Required use of electronic mail, file and print server administration, data base administration, desktop personal computer support, and application server and hosting services. Each state agency and institution, excluding the institutions under the control of the board of higher education, that desires electronic mail, file and print server administration, data base administration, desktop personal computer support, disaster recovery, and application server and hosting services shall obtain those services from the department. The chief information officer may exempt from the application of this section any agency that demonstrates its current services are more appropriate for the specific needs of that agency than the services available from the department.

Department shall establish certain standards for agencies - Advisory committee - Exceptions. The department shall appoint an advisory committee consisting of representatives of state agencies for the purposes of prioritizing major computer software projects and establishing policies, standards, and guidelines for executive branch state agencies and agencies of the judicial and legislative branches with respect to the purchase of computer software and computer systems. The chief information officer shall submit recommendations of the advisory committee regarding major software projects to the information technology committee for consideration by the committee and the drafting of appropriate legislation to implement the recommendations. The chief information officer may exempt an agency from the policies, standards, and guidelines established by the committee to address situations unique to that agency. Before an executive branch state agency may purchase or contract for computer software or computer systems associated with electronic mail, file and print services hosting and support, desktop personal computers and desktop support services, mainframe and distributed computing hosting services, or services for disaster recovery of critical systems, the department shall review the proposed purchase and approve of the purchase.

SECTION 18. AMENDMENT. Section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

54-59-05. Powers and duties of department. The department:

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.

3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment or software or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of three years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the budget section of the legislative council before executing a financing agreement. If the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed the amount appropriated to the department during that biennium for equipment.
5. Each executive branch agency or institution, ~~except~~ excluding the institutions under the control of the board of higher education with respect to academic and research uses of information technology, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may disapprove the request or require justification for the departure from the plan or statewide policy or standard.
- 5- 6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
- 6- 7. May request information on or review information technology, applications, system development projects, and application development projects of executive branch agencies.
- 7- 8. Shall study emerging technology and evaluate its impact on the state's system of information technology.
- 8- 9. Shall develop guidelines for reports to be provided by each executive branch agency, institution, or department, the institutions under the control of the board of higher education, and agencies of the judicial and legislative branches on information technology in those entities.
- 9- 10. Shall review the information technology management of executive branch agencies or institutions, ~~including institutions under the control of the board of higher education as provided in section 54-59-13.~~
- 40- 11. Shall perform all other duties necessary to carry out this chapter.

SECTION 19. AMENDMENT. Section 54-59-09 of the North Dakota Century Code is amended and reenacted as follows:

54-59-09. Information technology standards. Based on information from state agencies and institutions, the department shall develop statewide information technology policies, standards, and guidelines. The policies, standards, and guidelines must recognize the uniqueness of certain agencies and state which agencies are included or exempted from the policies, standards, and guidelines. The policies, standards, and guidelines must be approved by the state information technology advisory committee. Unless an exemption is granted by the ~~department~~ chief information officer, each executive branch state agency and institution, excluding the institutions under the control of the board of higher education with respect to academic and research uses of information technology, shall comply with the policies and standards developed by the department. Unless an exemption is granted by the ~~department~~ chief information officer, each entity receiving wide area network

services provided by the department shall comply with the policies and standards developed by the department with respect to access to or use of wide area network services.

SECTION 20. TRANSFER OF STATE AGENCY INFORMATION TECHNOLOGY EMPLOYEE POSITIONS - CONSOLIDATION OF INFORMATION TECHNOLOGY FUNCTIONS. On November 1, 2003, the following number of authorized full-time equivalent employee positions relating to information technology services, including electronic mail, file and print server administration, data base administration, desktop personal computer support, disaster recovery, and application server and hosting services must be transferred from the named agencies to the information technology department, unless reduced by the chief information officer:

AGENCY	FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
Secretary of state	1
Office of management and budget	2
State auditor's office	1
Attorney general	3
Tax department	4
Legislative branch	3
Judicial branch	3
Retirement and investment office	1
Public employees retirement system	2
Department of public instruction	2
Land department	1
School for the deaf	1
Vision services - school for the blind	1
State board for vocational and technical education	1
State department of health	3
Veterans' home	1
Department of human services	31
Job service North Dakota	11
Industrial commission	3
Public service commission	1
Bank of North Dakota	7
Housing finance agency	2
Mill and elevator	1
Workers compensation bureau	5
Highway patrol	3
Department of corrections and rehabilitation	3
Department of commerce	1
Game and fish department	2
Parks and recreation department	1
State water commission	2
Department of transportation	7

The agencies shall retain funding relating to the transferred employee positions and related costs, which is contained in the agencies' respective appropriations bill. Each of the agencies shall establish an information technology services line item consisting of funding related to the salaries and wages for the transferred employee positions and related funding for equipment, training, office rent, travel, contracted services, or other related costs for electronic mail, file and print server administration, data base administration, desktop personal computer support, disaster recovery, and application server and hosting services. Agencies shall develop documentation supporting the related funding transferred to the information technology services line item. Any line item transfer must be reported to the office of management and budget. Each of the agencies shall use the funding contained in the information technology services line item to purchase information technology services from the information technology department. Each of the agencies shall make arrangements with the information technology department for the transfer of equipment and material related to the transferred employee positions and services from the respective agency to the department. The information technology department may receive any funding relating to the purchase of information technology services under this section, which is hereby appropriated. Each agency is entitled to receive from the information technology department the equivalent in services that would have been performed by employees in the transferred positions at a cost not exceeding the amounts transferred to the agency's information technology services line item.

The information technology department shall determine the number of full-time equivalent positions necessary to provide the related information technology functions to state agencies. The department may employ the number of necessary employees and require all persons interested in filling the employee positions to apply with the department. In filling the employee positions, the department shall give preference to current state employees working in information technology. The department may make arrangements with the agency from which an employee was transferred to transfer any leave accrued by that employee.

SECTION 21. INFORMATION TECHNOLOGY FUNCTION CONSOLIDATION - ACCUMULATED SAVINGS - TRANSFER TO THE GENERAL FUND. The information technology department shall achieve efficiencies during the biennium beginning July 1, 2003, and ending June 30, 2005, relating to the required consolidation of information technology functions, including electronic mail, file and print server administration, data base administration, desktop personal computer support, disaster recovery, and application server and hosting services. The information technology department through efficiencies resulting from this consolidation shall achieve accumulated net savings totaling \$4,000,000 for the 2003-05 biennium. The director of the office of management and budget shall transfer the savings accumulated as a result of these efficiencies in the amount of \$4,000,000 to the general fund by June 30, 2005.

SECTION 22. INFORMATION TECHNOLOGY SERVICE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE AND THE BUDGET SECTION. The information technology department shall document information relating to the delivery of the consolidated services to agencies, including service dependability, agency complaints, and information technology department responsiveness, and shall report that information and the status of the accumulated savings to the information technology committee and the budget section as requested. Any agency receiving consolidated services may provide information to the information technology committee with respect to service availability, service dependability, complaints of the agency or of persons receiving services from the agency or the department, department responsiveness, and any additional costs incurred by the agency as a result of the consolidated services.

SECTION 23. INFORMATION TECHNOLOGY LEGISLATIVE COUNCIL STUDY - APPROPRIATION - REPORTS TO THE BUDGET SECTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the legislative council for the biennium beginning July 1, 2003, and ending June 30, 2005, for the purpose of contracting with consultants to conduct an information technology consolidation and an information technology management study and to provide assistance with the preparation of the request for proposals and consultant oversight. The studies must be completed by October 1, 2003, and periodic progress reports on the status of studies must be provided to the information technology committee. A final report must be presented to the budget section upon completion of the studies.

The information technology consolidation study must address the consolidation of information technology functions, including a review and identification of:

1. The cost of providing electronic mail administration, file and print server administration, seat management and desktop personal computer support, mainframe and distributed computing hosting services, consolidated storage management and disaster recovery, and software development.
2. The roles and responsibilities of agency personnel providing information technology services and the positions to be consolidated.
3. The positions and competencies needed by the information technology department to provide the information technology services on a centralized basis, including the organizational changes required within the department to provide the centralized services.
4. The human resource management issues, including change management, training, and employee compensation, to be addressed for a successful consolidation.
5. The adequacy and quality of the services as currently provided and proper performance measures.

6. The comparison of current costs to industry data and data from other states.
7. The costs and benefits of providing the services on a centralized basis and the cost of an agency providing the services on an individual basis.
8. Information technology services appropriate to be performed by individual agencies.
9. A plan to consolidate the services identified, including the reorganization tasks, personnel transfers, and the changes required for information technology budgeting and cost allocation processes.

The information technology management study must include a review of:

1. The technology management processes of other states and private industry with respect to prioritizing state agency information technology budget requests, establishing information technology standards and policies, and overseeing information technology expenditures.
2. The role of other states in providing information technology services to nonstate government entities.
3. The level of information technology outsourcing in other state governments and the private sector and the applicability to the state of North Dakota.
4. The trends that will impact technology deployment and spending in the next five to ten years.
5. The level of coordination in the management of enterprise initiatives, such as the state wide area network, the enterprise resource planning system initiative, the geographic information systems initiative, and the criminal justice information sharing initiative, compared to other states, including a recommendation regarding the appropriate governance structure to provide the maximum benefits to the state.

SECTION 24. TRANSFER OF APPROPRIATION AUTHORITY BETWEEN LINE ITEMS. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items for state agencies, departments, and institutions as may be requested to accommodate information technology funding reductions made by the fifty-eighth legislative assembly. The office of management and budget shall report to the budget section regularly on transfers made pursuant to this section.

SECTION 25. CONSOLIDATION OF HIGHER EDUCATION INFORMATION TECHNOLOGY FUNCTIONS. The North Dakota university system shall consolidate full-time equivalent employee positions relating to information technology services, including electronic mail, file and print server administration, data base administration, desktop personal computer support, disaster recovery, and application server and hosting services.

The North Dakota university system shall determine the number of full-time equivalent positions necessary to provide the related information technology functions to higher education institutions. The university system may employ the number of necessary employees and require all persons interested in filling the employee positions to apply with the system.

SECTION 26. HIGHER EDUCATION INFORMATION TECHNOLOGY FUNCTION CONSOLIDATION - ACCUMULATED SAVINGS - APPROPRIATION. The North Dakota university system shall achieve during the biennium beginning July 1, 2003, and ending June 30, 2005, efficiencies relating to required consolidation of information technology services, including electronic mail, file and print server administration, data base administration, desktop personal computer support, disaster recovery, and application server and hosting services. The North Dakota university system, through efficiencies resulting from this consolidation, shall achieve accumulated savings totaling \$2,000,000 for the 2003-05 biennium. The director of the office of management and budget shall transfer the savings accumulated as a result of these efficiencies in the amount of \$2,000,000 to the general fund by June 30, 2005.

SECTION 27. HIGHER EDUCATION INFORMATION TECHNOLOGY SERVICE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE AND THE BUDGET SECTION. The North Dakota university system shall document information relating to the delivery of the consolidated services to higher education institutions, including service dependability, higher education institution complaints, and university system responsiveness, and shall report that information to the information technology committee. The North Dakota university system shall also document information regarding the related savings from the consolidation and report on the status of the accumulated net savings to the information technology committee and the budget section as requested.

SECTION 28. TECHNOLOGY CRITICAL NEEDS POOL - BUDGET SECTION APPROVAL. The information technology critical needs pool appropriation included in section 1 of this Act is for addressing state agencies, departments, and institutions critical information technology needs. State agencies, departments, and institutions requesting critical needs funding shall submit a written request detailing the purpose and need for the funding to the chief information officer of the information technology department. Requests approved by the information technology department must be forwarded to the office of management and budget which shall transfer funding from the critical needs pool to agencies, departments, and institutions upon approval of the request by the budget section."

Page 4, line 8, overstrike "sixty-two" and insert immediately thereafter "sixty-six" and after "million" insert "six hundred forty-one thousand"

Page 4, line 10, overstrike "At the end of the 1995-97 biennium all revenue deposited in the"

Page 4, overstrike lines 11 through 13

Page 4, line 14, overstrike "permanent oil tax trust fund."

Page 4, line 19, overstrike "sixty-two" and insert immediately thereafter "sixty-six" and after "million" insert "six hundred forty-one thousand"

Page 4, remove lines 29 and 30

Page 5, replace lines 15 through 17 with:

"SECTION 32. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the legislative council for the biennium beginning July 1, 2003, and ending June 30, 2005, for the purpose of upgrading sound systems in the house and senate chambers.

SECTION 33. EXAMINATION OF MINERAL SEVERANCE TAX APPLICATION TO FEDERAL LANDS - REPORT TO LEGISLATIVE COUNCIL. During the 2003-04 interim, the tax commissioner shall cause an examination to be made of all mineral production from lands under the ownership or control of federal or quasi-federal entities, including farm credit services or its predecessor federal land bank, to assure that taxes imposed by chapters 57-51, 57-51.1, and 57-61 are being imposed, collected, and reported as required by law. The tax commissioner shall also ascertain whether mineral severance taxes are being imposed on these properties to the fullest extent allowed under section 5 of article X of the Constitution of North Dakota and recommend any legislation necessary to accomplish that objective. Before September 1, 2004, the tax commissioner shall report the findings and recommendations under this section, together with any legislation necessary to implement the recommendations, to a committee designated by the legislative council.

SECTION 34. 2005-07 EXECUTIVE BUDGET - STUDENT LOAN TRUST FUND. Any proposal to transfer or spend moneys from the student loan trust fund included as part of the 2005-07 biennium executive budget must be included in a separate bill introduced for consideration by the fifty-ninth legislative assembly.

SECTION 35. STATE AGENCY CONTINUING APPROPRIATIONS - REPORTS TO FIFTY-NINTH LEGISLATIVE ASSEMBLY. The head of each executive branch agency, institution, or department shall report during the budget presentation to the appropriations committees of the fifty-ninth legislative assembly on statutory provisions authorizing the agency, institution, or department to spend funds pursuant to a continuing appropriation. The report must include justification for continuing the authority, and expenditures made pursuant to the continuing appropriation and related

revenues and fund balances for the 1999-2001 biennium, the 2001-03 biennium, the 2003-05 biennium to date, and projections for the 2005-07 biennium.

SECTION 36. CERTAIN APPROPRIATION BILLS - EXECUTIVE BUDGET RECOMMENDATION. Notwithstanding North Dakota Century Code section 54-44.1-06, the legislative council shall submit for introduction to the fifty-ninth legislative assembly the 2005-07 appropriation bills for the department of public instruction, department of corrections and rehabilitation, state treasurer, and secretary of state based on the same funding amounts, line items, and employee levels authorized by the fifty-eighth legislative assembly for the 2003-05 biennium. Any budget changes recommended by the office of the budget for these departments for the 2005-07 biennium must be presented to the appropriations committees of the fifty-ninth legislative assembly as a recommendation for amendment to the bill as introduced.

SECTION 37. STATE EMPLOYEE REDUCTIONS - BUDGET SECTION REPORT. The number of full-time equivalent state employees must be reduced by employee retirements, employee turnover, and vacant employee positions during the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Executive branch agencies and the office of the governor, excluding other offices of state elected officials and higher education	155
State elected officials, excluding the governor	13
Judicial branch	8
Legislative branch	.6

One-half of this total reduction must be accomplished by December 31, 2003. The additional reductions must be accomplished by December 31, 2004. Agencies shall report employee positions eliminated to the office of management and budget. The office of management and budget shall provide periodic reports on the employee positions eliminated by agency to the budget section of the legislative council.

SECTION 38. CONTINGENT APPROPRIATION - STATE EMPLOYEE COMPENSATION - JANUARY 1, 2004. The sums hereinafter listed, or so much thereof as may be necessary, are appropriated from the general fund and from special funds or moneys derived from federal funds or other income in the state treasury, not otherwise appropriated, as indicated to the agencies and institutions of state government for the purpose of providing compensation adjustments to employees of the various agencies and institutions in accordance with section 40 of this Act for the period beginning January 1, 2004, and ending June 30, 2005. These moneys may be spent only if the office of management and budget certifies to the governor, legislative council, and supreme court that agencies have eliminated at least eighty-eight full-time equivalent positions by December 31, 2003, as provided in section 37 of this Act.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$13,572		\$13,572
Secretary of state	13,224		13,224
Office of management and budget	70,834	\$16,253	87,087
Information technology department	11,280	181,549	192,829
State auditor	25,958	11,890	37,848
State treasurer	3,899		3,899
Attorney general	103,892	12,083	115,975
Tax commissioner	81,319		81,319
Administrative hearings office		6,313	6,313
Legislative council	27,319		27,319
Judicial branch	185,145	1,492	186,637
Retirement and investment office		11,578	11,578
Public employees retirement system		16,439	16,439
Department of public instruction	21,665	39,170	60,835
University system office	21,712		21,712
Board of university and school lands		12,119	12,119
Forest service	10,904		10,904
State library	12,073	470	12,543
School for the deaf	29,682		29,682
Vision services - school for the blind	14,245	1,763	16,008
Board for career and technical education	18,854	424	19,278
State department of health	66,663	129,890	196,553

Veterans home	30,591	13,013	43,604
Indian affairs commission	2,098		2,098
Department of veterans' affairs	2,507	204	2,711
Children's services coordinating committee		357	357
Department of human services	778,884	347,569	1,126,453
Protection and advocacy project	6,600	8,499	15,099
Job service North Dakota	571	213,139	213,710
Insurance commissioner		31,107	31,107
Industrial commission	37,476	3,811	41,287
Labor commissioner	4,700	1,511	6,211
Public service commission	20,627	11,169	31,796
Aeronautics commission		4,256	4,256
Department of financial institutions		18,789	18,789
Securities commissioner	6,252		6,252
Bank of North Dakota		106,049	106,049
Housing finance agency		25,294	25,294
Workers compensation bureau		151,377	151,377
Highway patrol	86,856	37,777	124,633
Division of emergency management	4,702	7,206	11,908
Department of corrections and rehabilitation	345,529	30,933	376,462
Adjutant general	25,680	57,382	83,062
Department of commerce	34,170	11,300	45,470
Agriculture commissioner	19,545	16,281	35,826
Seed department		16,145	16,145
Upper great plains transportation institute	2,523	29,432	31,955
Branch research centers	44,713	9,356	54,069
NDSU extension service	112,216	70,775	182,991
Northern crops institute	3,830	3,051	6,881
Main research station	203,651	91,849	295,500
Agronomy seed farm		2,088	2,088
Historical society	31,843		31,843
Council on the arts	2,753		2,753
Game and fish department		99,070	99,070
Parks and recreation department	24,542	1,054	25,596
Water commission	58,829	1,107	59,936
Department of transportation		<u>617,865</u>	<u>617,865</u>
Total	\$2,623,928	\$2,480,248	\$5,104,176

SECTION 39. CONTINGENT APPROPRIATION - STATE EMPLOYEE COMPENSATION - JANUARY 1, 2005. The sums hereinafter listed, or so much thereof as may be necessary, are appropriated from the general fund and from special funds or moneys derived from federal funds or other income in the state treasury, not otherwise appropriated, as indicated to the agencies and institutions of state government for the purpose of providing compensation adjustments to employees of the various agencies and institutions in accordance with section 40 of this Act for the period beginning January 1, 2005, and ending June 30, 2005. These moneys may be spent only if the office of management and budget certifies to the governor, legislative council, and supreme court that agencies have eliminated at least one hundred seventy-six and six-tenths full-time equivalent positions by December 31, 2004, as provided in section 37 of this Act.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$9,021		\$9,021
Secretary of state	8,757		8,757
Office of management and budget	46,955	\$10,763	57,718
Information technology department	7,471	120,273	127,744
State auditor	17,191	7,873	25,064
State treasurer	2,581		2,581
Attorney general	68,802	8,001	76,803
Tax commissioner	53,866		53,866
Administrative hearings office		4,181	4,181
Legislative council	18,199		18,199
Judicial branch	125,088	994	126,082
Retirement and investment office		7,712	7,712

Public employees retirement system		10,924	10,924
Department of public instruction	14,348	25,940	40,288
University system office	14,582		14,582
Board of university and school lands		8,025	8,025
Forest service	7,221		7,221
State library	7,996	311	8,307
School for the deaf	18,591		18,591
Vision services - school for the blind	9,434	1,168	10,602
Board for career and technical education	12,485	281	12,766
State department of health	44,223	86,044	130,267
Veterans home	20,264	8,617	28,881
Indian affairs commission	1,389		1,389
Department of veterans' affairs	1,660	135	1,795
Children's services coordinating committee		237	237
Department of human services	516,164	230,273	746,437
Protection and advocacy project	4,371	5,628	9,999
Job service North Dakota	378	141,153	141,531
Insurance commissioner		20,601	20,601
Industrial commission	24,855	2,524	27,379
Labor commissioner	3,112	1,001	4,113
Public service commission	13,660	7,396	21,056
Aeronautics commission		2,819	2,819
Department of financial institutions		12,538	12,538
Securities commissioner	4,140		4,140
Bank of North Dakota		70,314	70,314
Housing finance agency		17,231	17,231
Workers compensation bureau		100,358	100,358
Highway patrol	57,521	25,018	82,539
Division of emergency management	3,114	4,772	7,886
Department of corrections and rehabilitation	228,828	20,485	249,313
Adjutant general	17,093	38,001	55,094
Department of commerce	22,707	7,483	30,190
Agriculture commissioner	12,943	10,783	23,726
Seed department		12,023	12,023
Upper great plains transportation institute	1,718	19,554	21,272
Branch research centers	24,957	6,196	31,153
NDSU extension service	74,225	46,897	121,122
Northern crops institute	2,570	2,021	4,591
Main research station	110,489	60,566	171,055
Agronomy seed farm		1,383	1,383
Historical society	21,088		21,088
Council on the arts	1,824		1,824
Game and fish department		65,609	65,609
Parks and recreation department	16,254	699	16,953
Water commission	38,959	734	39,693
Department of transportation		<u>409,288</u>	<u>409,288</u>
Total	\$1,711,094	\$1,644,827	\$3,355,921

SECTION 40. LEGISLATIVE INTENT - CONTINGENT STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-eighth legislative assembly that 2003-05 compensation adjustments for permanent state employees are to be increases of one percent, beginning with the month of January 2004, to be paid in February 2004, contingent on the elimination of at least eighty-eight full-time equivalent positions by December 31, 2003, as provided in sections 37 and 38 of this Act and two percent, beginning with the month of January 2005, to be paid in February 2005, contingent on the elimination of at least one hundred seventy-six and six-tenths full-time equivalent positions by December 31, 2004, as provided in sections 37 and 39 of this Act.

Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the one percent in January 2004 and the two percent in January 2005 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

SECTION 41. LEGISLATIVE COUNCIL STUDY - PUBLIC EMPLOYEE HEALTH INSURANCE BENEFITS. The legislative council shall consider studying, during the 2003-05 term, public employee health insurance benefits. If conducted, the study must include options for providing health insurance for state employees, review of the availability of other health insurance plans, single versus family coverage, employee contributions, and unitization of premium rates for budgeting purposes. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 42. SPECIFIED EXEMPT COMMODITIES AND SERVICES - REPORT TO THE BUDGET SECTION. The director of the office of management and budget shall report to the budget section in December of even-numbered years on specified commodities and services exempted by written directive of the director from the procurement requirements of chapter 54-44.4.

SECTION 43. EMERGENCY. Section 23 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Office of Management and Budget				
Total all funds	\$27,826,739	\$27,778,694	\$95,153	\$27,873,847
Less estimated income	<u>7,918,764</u>	<u>7,891,748</u>	<u>(3,272)</u>	<u>7,888,476</u>
General fund	\$19,907,975	\$19,886,946	\$98,425	\$19,985,371
Legislative Council - System upgrade and study				
Total all funds	\$0	\$0	\$380,000	\$380,000
Less estimated income				
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$380,000</u>	<u>\$380,000</u>
All agencies - Contingent salary increases				
Total all funds	\$0	\$0	\$8,460,097	\$8,460,097
Less estimated income			<u>4,125,075</u>	<u>4,125,075</u>
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$4,335,022</u>	<u>\$4,335,022</u>
Bill Total				
Total all funds	\$27,826,739	\$27,778,694	\$8,935,250	\$36,713,944
Less estimated income	<u>7,918,764</u>	<u>7,891,748</u>	<u>4,121,803</u>	<u>12,013,551</u>
General fund	\$19,907,975	\$19,886,946	\$4,813,447	\$24,700,393

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

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$15,549,754	\$15,404,949	(\$16,718)	\$15,388,231
Operating expenses	11,364,985	11,461,745	(888,129)	10,573,616
Capital assets	733,000	733,000		733,000
Grants	179,000	179,000		179,000
Technology critical needs pool			1,000,000	1,000,000
Total all funds	\$27,826,739	\$27,778,694	\$95,153	\$27,873,847
Less estimated income	<u>7,918,764</u>	<u>7,891,748</u>	<u>(3,272)</u>	<u>7,888,476</u>
General fund	\$19,907,975	\$19,886,946	\$98,425	\$19,985,371
FTE	162.00	162.00	0.00	162.00

Dept. 110 - Office of Management and Budget - Detail of House Changes

	REMOVES FUNDING FOR WASHINGTON LOBBYIST ¹	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ²	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ³	PROVIDES FUNDING FOR TECHNOLOGY CRITICAL NEEDS POOL ⁴	TOTAL HOUSE CHANGES
Salaries and wages		(\$16,718)			(\$16,718)

Operating expenses	(\$120,000)		(\$768,129)		(888,129)
Capital assets					
Grants					
Technology critical needs pool				\$1,000,000	1,000,000
Total all funds	(\$120,000)	(\$16,718)	(\$768,129)	\$1,000,000	\$95,153
Less estimated income		(3,272)			(3,272)
General fund	(\$120,000)	(\$13,446)	(\$768,129)	\$1,000,000	\$98,425
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment removes \$120,000 from the general fund for funding a lobbyist in Washington, D.C.

² This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$768,129 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 20 percent.

⁴ This amendment provides funding of \$1 million from the general fund for a technology critical needs pool to address areas of critical technology needs. State agencies, departments, and institutions interested in obtaining critical needs funding must submit a written request detailing the purpose and need to the Information Technology Department, and the Office of Management and Budget may transfer funding from the pool to agencies, departments, and institutions upon approval of requests by the Budget Section.

The House amendment reduces the 2003-05 biennium transfer from the lands and minerals trust fund to the general fund from \$3 million to \$2 million and limits the transfer from the permanent oil tax trust fund to the general fund to \$14.3 million.

The House provided a \$30,000 general fund appropriation to the Legislative Council for upgrading the sound systems in the House and Senate chambers.

The House changed the membership and continued the Electric Industry Competition Committee through August 1, 2007.

The House amended North Dakota Century Code (NDCC) Section 54-44.1-06 to provide for the budget data presented by the director of the budget to include in the general fund budget status any deficiency appropriation relating to general fund expenditures for the current biennium.

The House removed the section in the bill providing for a contingent transfer of up to \$25 million of earnings and accumulated and undivided profits of the Bank of North Dakota to the general fund if general fund revenue collections will not meet revenues as forecasted in the March 2003 legislative forecast for the 2003-05 biennium.

The House amended NDCC Section 57-51.1-07.2 to provide that at the end of any biennium oil and gas production and extraction tax collections during any biennium in excess of \$66,641,000, rather than \$62 million, be transferred from the general fund to the permanent oil tax trust fund. This amendment would be effective starting with the 2003-05 biennium.

The House amended NDCC Section 54-44.1-12 to provide that any allotment ordered by the Governor must be made to the extent necessary to address any projected deficiency appropriations for agencies receiving moneys from the fund.

The House added a section providing for the Tax Commissioner to examine all mineral production from lands under the ownership or control of federal or quasi-federal entities to assure mineral severance taxes are being imposed, collected, and reported as required by law. The Tax Commissioner is to report the findings and recommendations from the examination to a committee designated by the Legislative Council.

The House added a section requiring the Governor to submit any proposal to spend or transfer moneys from the student loan trust fund included as part of the 2005-07 biennium budget in a separate bill.

The House added a section requiring executive branch agencies to report to the Appropriations Committees during the 2005 legislative session regarding expenditures made pursuant to continuing appropriations and justification for needing the continuing appropriation authority.

The House provided that the 2005-07 budgets for four agencies--the Department of Public Instruction, Department of Corrections and Rehabilitation, State Treasurer, and Secretary of State--be prepared based on the 2003-05 biennium budget as approved by the Legislative Assembly.

The House added sections providing for a reduction of 176.6 FTE positions during the 2003-05 biennium and providing for contingent state employee salary increases of 1 percent in January 2004 and 2 percent in January 2005.

The House added a section for a Legislative Council study of public employee health insurance benefits.

The House added a section for a report to the Budget Section on specified exempt commodities and services relating to procurement requirements in NDCC Chapter 54-44.4.

The House added sections providing for the establishment of an information technology advisory committee, to provide for an information technology consolidation study, to provide for consolidation of information technology positions and functions, and to recognize general fund revenue related to accumulated information technology savings of \$4 million from the Information Technology Department and \$2 million from the North Dakota University System to be transferred to the general fund.

Senate Bill No. 2015 - Legislative Council - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages				
Operating expenses	_____	_____	<u>\$380,000</u>	<u>\$380,000</u>
Total all funds	\$0	\$0	\$380,000	\$380,000
Less estimated income	_____	_____	_____	_____
General fund	\$0	\$0	\$380,000	\$380,000
FTE	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of House Changes

	PROVIDES FUNDING FOR UPGRADING SOUND SYSTEM ¹	PROVIDES FUNDING FOR INFORMATION TECHNOLOGY STUDY	TOTAL HOUSE CHANGES
Salaries and wages			
Operating expenses	<u>\$30,000</u>	<u>\$350,000</u>	<u>\$380,000</u>
Total all funds	\$30,000	\$350,000	\$380,000
Less estimated income	_____	_____	_____
General fund	\$30,000	\$350,000	\$380,000
FTE	0.00	0.00	0.00

¹ This amendment adds a section to the bill providing a \$30,000 general fund appropriation to the Legislative Council for upgrading the sound systems in the House and Senate chambers.

Senate Bill No. 2015 - All agencies - House Action

Sections are added providing for a reduction of 176.6 FTE positions during the 2003-05 biennium and providing for contingent state employee salary increases of 1 percent in January 2004 and 2 percent in January 2005. Funding of \$8,460,097, of which \$4,335,022 is from the general fund is added for all agencies.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1438.

MOTION

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

MOTION

SEN. CHRISTMANN MOVED that the Senate be on the Fourth, Fifth, and Seventh orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, April 10, 2003, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1003, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1003 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "to authorize the industrial commission to issue and sell bonds for capital"

Page 1, line 4, remove "projects;" and after the third semicolon insert "to provide for a legislative council study;"

Page 1, line 19, replace "14,100,689" with "12,790,689"

Page 1, line 20, remove "and centers for excellence" and replace "7,000,000" with "4,100,000"

Page 1, after line 20, insert:
"Centers for excellence" 1,900,000"

Page 1, line 21, replace "435,306" with "485,306"

Page 1, line 22, replace "4,479,337" with "4,472,850"

Page 1, line 24, replace "26,135,148" with "25,089,639"

Page 1, after line 24, insert:
"Operations pool" 2,000,000"

Page 2, line 3, replace "4,430,215" with "2,930,215"

Page 2, line 5, replace "816,368" with "1,066,368"

Page 2, line 8, replace "64,407,816" with "61,845,820"

Page 2, line 9, replace "5,355,507" with "3,855,507"

Page 2, line 10, replace "59,052,309" with "57,990,313"

Page 2, line 14, replace "15,493,038" with "15,462,327"

Page 2, line 15, replace "15,743,038" with "15,712,327"

Page 2, line 19, replace "4,963,824" with "4,957,682"

Page 2, line 20, replace "5,008,655" with "5,002,513"

Page 2, line 24, replace "5,319,181" with "5,312,371"

Page 2, line 25, replace "5,407,971" with "5,401,161"

Page 2, line 29, replace "84,584,943" with "84,733,126"

Page 2, remove lines 30 and 31

Page 3, line 1, replace "117,347,079" with "117,395,262"

Page 3, line 3, replace "87,047,079" with "87,095,262"

Page 3, line 7, replace "66,875,983" with "66,826,959"

Page 3, line 8, replace "83,613,514" with "83,564,490"

Page 3, line 10, replace "68,613,514" with "68,564,490"

Page 3, line 14, replace "23,774,891" with "23,736,824"

Page 3, line 15, replace "28,217,311" with "28,179,244"

Page 3, line 17, replace "24,548,391" with "24,510,324"

Page 3, line 21, replace "13,590,878" with "13,573,831"

Page 3, line 22, replace "18,984,840" with "18,967,793"

Page 3, line 24, replace "13,984,840" with "13,967,793"

Page 3, line 27, replace "364,589" with "414,589"

Page 3, line 28, replace "8,349,835" with "8,427,335"

Page 3, remove line 29

Page 3, line 30, replace "8,764,424" with "8,841,924"

Page 4, line 2, replace "8,614,424" with "8,691,924"

Page 4, line 6, replace "25,554,142" with "25,519,578"

Page 4, line 7, replace "26,166,992" with "26,132,428"

Page 4, line 11, replace "11,144,078" with "11,304,672"

Page 4, line 12, replace "11,409,412" with "11,570,006"

Page 4, line 15, replace "112,663" with "209,663"

Page 4, line 16, replace "4,057,001" with "4,052,856"

Page 4, line 17, replace "4,169,664" with "4,262,519"

Page 4, line 21, replace "30,268,879" with "29,990,865"

Page 4, line 22, replace "30,268,879" with "29,990,865"

Page 4, line 26, replace "2,717,215" with "2,715,016"

Page 4, line 27, replace "2,863,276" with "2,861,077"

Page 4, line 29, replace "1,773,275" with "1,771,076"

Page 4, line 30, replace "361,808,443" with "360,663,001"

Page 5, line 1, replace "112,046,775" with "102,524,428"

Page 5, line 2, replace "473,855,218" with "463,187,429"

Page 5, line 3, replace "\$435,306" with "\$485,306"

Page 5, line 8, replace "\$14,100,689" with "\$12,790,689"

Page 5, line 11, replace "and by the industrial commission to establish an escrow account as authorized in" with a period

Page 5, remove line 12

Page 5, line 13, replace "\$26,135,148" with "\$25,089,639"

Page 5, after line 20, insert:

"SECTION 5. OPERATIONS POOL. The sum of \$2,000,000, or so much of the sum as may be necessary, included in the operations pool line item in subdivision 1 of section 1 of this Act, is to be allocated by the state board of higher education to the entities included in section 1."

Page 5, line 30, after the period insert "All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2003, and ending June 30, 2005, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board and for student financial assistance grants, as determined by the board."

Page 6, line 24, remove the second "the"

Page 6, line 25, remove "purpose of repaying principal and interest on" and replace "loans from the Bank of North" with "costs"

Page 6, line 26, remove "Dakota, pursuant to section 54-16-13"

Page 7, line 12, after "center" insert "and athletic complex" and replace "\$8,000,000" with "\$21,000,000"

Page 7, remove line 13

Page 7, remove lines 21 through 31

Page 8, remove lines 1 through 15

Page 9, remove lines 11 and 12

Page 9, remove line 23

Page 9, line 24, replace "e." with "d."

Page 9, line 25, replace "f." with "e."

Page 9, line 26, replace "g." with "f."

Page 10, line 15, replace "\$13,258,969" with "\$14,258,969"

Page 10, line 21, remove "- **CENTERS FOR EXCELLENCE**"

Page 10, line 22, remove "and centers for excellence"

Page 10, line 23, replace "\$5,000,000 for the competitive research program and \$2,000,000" with "\$100,000"

Page 10, line 24, replace "research efforts that focus on research that will have a positive impact on the" with "for establishment of a design center at the university of North Dakota. Federal and private matching funds totaling \$300,000 must be leveraged by the North Dakota university system prior to June 30, 2004, or the funding is to be made available for other competitive research initiatives.

SECTION 18. CENTERS FOR EXCELLENCE. The centers for excellence line item in subdivision 1 of section 1 of this Act includes \$1,400,000 for the John D. Odegard center for aerospace science - center of excellence in multimedia technology and \$500,000 is for future centers for excellence. Of the \$1,400,000, \$206,000 is for the expanded air service enterprise - upper great plains air taxi service. Federal matching funding relating to the expanded air service enterprise - upper great plains air taxi service must be leveraged by the North Dakota university system prior to June 30, 2004, or the funding is to be made available for other centers for excellence. The funding for future centers for excellence is to be distributed by the state board of higher education based on determination of centers for excellence by the department of commerce foundation board.

SECTION 19. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for education incentive programs may be allocated to education incentive programs as determined by the state board of higher education, including the reduction or elimination of specific programs, and the state board of higher education may determine the appropriate number of years of program eligibility for each education incentive program.

SECTION 20. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2003, and ending June 30, 2005, the state board of higher education determines that funds allocated to institution operations in section 1 of this Act are needed for capital projects or extraordinary repairs, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 21. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION. The legislative council shall consider continuing the study of higher education during the 2003-04 interim. If conducted, the study may include the use of the higher education roundtable format. The study should further refine the expectations of the North Dakota university system in meeting the state's needs in the twenty-first century, the funding methodology needed to meet those expectations and needs, and the accountability system and reporting methodology for the university system. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 22. CONSTRUCTION OF BASKETBALL ARENA - APPROVAL.

The state board of higher education may approve amendments to terms of the agreement entered under chapter 159 of the 1999 Session Laws and may authorize the construction of a basketball arena on the site authorized under that legislation for the university of North Dakota to be financed with private funds.

SECTION 23. PURCHASE OF HOTEL - APPROVAL.

The state board of higher education may authorize the university of North Dakota to purchase a hotel and land upon which the hotel is located within the city of Grand Forks for use as a student residence facility for a sum not to exceed \$1,200,000, under terms approved by the board. The university of North Dakota may utilize available housing reserve funds for the purchase.

SECTION 24. MAYVILLE STATE UNIVERSITY - FIELDHOUSE RENOVATION AND ADDITION - REVENUE NOTE.

The state board of higher education may, as an alternative to issuing revenue bonds to finance the Mayville state university fieldhouse renovation and addition authorized in section 13 of this Act, enter an agreement or agreements and do all things necessary to finance this improvement with a tax-exempt revenue note, under terms and conditions acceptable to the board. The proceeds of the revenue note must be used to pay all or part of the cost of construction, equipment, and furnishing of the Mayville state university fieldhouse, costs of issuance, interest, and any reasonable required reserve. The note may be issued based on the pledge of revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds. A revenue note authorized by this section may not constitute a direct obligation of the state or any agency or political subdivision of the state within the meaning of any statutory or constitutional provision. The principal and interest on the note must be payable solely from revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds.

SECTION 25. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES.

It is the intent of the fifty-eighth legislative assembly that funding of \$395,000 included in the operations line item in subdivision 13 of section 1 of this Act is considered one-time funding and the funding is not to be included in the university of North Dakota school of medicine and health sciences base funding for determination of funding requests for the 2005-07 biennium."

Page 10, remove lines 25 and 26

Page 20, line 22, after "assets" insert "and contingency and capital emergency"

Page 20, line 23, replace the first comma with "and" and remove ", and 14"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1003 - Summary of Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office				
Total all funds	\$467,577,358	\$64,407,816	(\$2,561,996)	\$61,845,820
Less estimated income	115,498,722	5,355,507	(1,500,000)	3,855,507
General fund	\$352,078,636	\$59,052,309	(\$1,061,996)	\$57,990,313
Bismarck State College				
Total all funds	\$0	\$17,528,038	(\$30,711)	\$17,497,327
Less estimated income		1,785,000		1,785,000
General fund	\$0	\$15,743,038	(\$30,711)	\$15,712,327
Lake Region State College				
Total all funds	\$0	\$5,383,655	(\$6,142)	\$5,377,513
Less estimated income		375,000		375,000
General fund	\$0	\$5,008,655	(\$6,142)	\$5,002,513
Williston State College				
Total all funds	\$0	\$5,407,971	(\$6,810)	\$5,401,161
Less estimated income				
General fund	\$0	\$5,407,971	(\$6,810)	\$5,401,161
University of North Dakota				
Total all funds	\$0	\$140,347,079	\$48,183	\$140,395,262
Less estimated income		53,300,000		53,300,000
General fund	\$0	\$87,047,079	\$48,183	\$87,095,262

Total all funds	\$0	\$30,268,879	(\$278,014)	\$29,990,865
Less estimated income				
General fund	\$0	\$30,268,879	(\$278,014)	\$29,990,865
North Dakota State University				
Total all funds	\$0	\$94,613,514	(\$49,024)	\$94,564,490
Less estimated income		26,000,000		26,000,000
General fund	\$0	\$68,613,514	(\$49,024)	\$68,564,490
State College of Science				
Total all funds	\$0	\$28,217,311	(\$38,067)	\$28,179,244
Less estimated income		3,668,920		3,668,920
General fund	\$0	\$24,548,391	(\$38,067)	\$24,510,324
Dickinson State University				
Total all funds	\$0	\$24,866,887	(\$5,899,094)	\$18,967,793
Less estimated income		10,882,047	(5,882,047)	5,000,000
General fund	\$0	\$13,984,840	(\$17,047)	\$13,967,793
Mayville State University				
Total all funds	\$0	\$14,119,424	(\$1,277,500)	\$12,841,924
Less estimated income		5,505,000	(1,355,000)	4,150,000
General fund	\$0	\$8,614,424	\$77,500	\$8,691,924
Minot State University				
Total all funds	\$0	\$26,166,992	(\$34,564)	\$26,132,428
Less estimated income				
General fund	\$0	\$26,166,992	(\$34,564)	\$26,132,428
Valley City State University				
Total all funds	\$0	\$15,494,712	(\$624,706)	\$14,870,006
Less estimated income		4,085,300	(785,300)	3,300,000
General fund	\$0	\$11,409,412	\$160,594	\$11,570,006
Minot State University - Bottineau				
Total all funds	\$0	\$4,169,664	\$92,855	\$4,262,519
Less estimated income				
General fund	\$0	\$4,169,664	\$92,855	\$4,262,519
Forest Service				
Total all funds	\$2,915,258	\$2,863,276	(\$2,199)	\$2,861,077
Less estimated income	1,090,001	1,090,001		1,090,001
General fund	\$1,825,257	\$1,773,275	(\$2,199)	\$1,771,076
Bill Total				
Total all funds	\$470,492,616	\$473,855,218	(\$10,667,789)	\$463,187,429
Less estimated income	116,588,723	112,046,775	(9,522,347)	102,524,428
General fund	\$353,903,893	\$361,808,443	(\$1,145,442)	\$360,663,001

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	\$352,078,636	\$59,052,309	(\$1,061,996)	\$57,990,313
Bismarck State College		15,743,038	(30,711)	15,712,327
Lake Region State College		5,008,655	(6,142)	5,002,513
Williston State College		5,407,971	(6,810)	5,401,161
University of North Dakota		87,047,079	48,183	87,095,262
UND Medical Center		30,268,879	(278,014)	29,990,865
North Dakota State University		68,613,514	(49,024)	68,564,490
State College of Science		24,548,391	(38,067)	24,510,324
Dickinson State University		13,984,840	(17,047)	13,967,793
Mayville State University		8,614,424	77,500	8,691,924
Minot State University		26,166,992	(34,564)	26,132,428
Valley City State University		11,409,412	160,594	11,570,006
Minot State University - Bottineau		4,169,664	92,855	4,262,519
Forest Service	1,825,257	1,773,275	(2,199)	1,771,076
Total general fund	\$353,903,893	\$361,808,443	(\$1,145,442)	\$360,663,001

Detail of Senate Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	PROVIDES FUNDING FOR OPERATIONS POOL 6
University System office	(\$2,064)	(\$1,049,932)	(\$1,310,000)	(\$1,000,000)	\$50,000	\$2,000,000
Bismarck State College		(30,711)				
Lake Region State College		(6,142)				
Williston State College		(6,810)				
University of North Dakota		(101,817)			(50,000)	
UND Medical Center		(28,014)				
North Dakota State University		(49,024)				
State College of Science		(38,067)				
Dickinson State University		(17,047)				
Mayville State University		(22,500)				
Minot State University		(34,564)				
Valley City State University		(39,406)				
Minot State University - Bottineau		(4,145)				
Forest Service	(1,961)	(238)				
Total general fund	(\$4,025)	(\$1,428,417)	(\$1,310,000)	(\$1,000,000)	\$0	\$2,000,000
	ADJUSTS FUNDING	ADJUSTS FUNDING FOR	RESTORES FUNDING	REMOVES FUNDING	TOTAL	

	FOR CAPITAL ASSETS 7	STUDENT GRANT PROGRAMS 8	FOR CAMPUS OPERATIONS 9	FOR MARKETING INITIATIVE 10	GENERAL FUND CHANGES
University System office		\$250,000			(\$1,061,996)
Bismarck State College					(30,711)
Lake Region State College					(6,142)
Williston State College					(6,810)
University of North Dakota			\$250,000	(\$50,000)	48,183
UND Medical Center			(250,000)		(278,014)
North Dakota State University					(49,024)
State College of Science					(38,067)
Dickinson State University					(17,047)
Mayville State University			100,000		77,500
Minot State University					(34,564)
Valley City State University			200,000		160,594
Minot State University - Bottineau	\$97,000				92,855
Forest Service					(2,199)
Total general fund	\$97,000	\$250,000	\$300,000	(\$50,000)	(\$1,145,442)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	\$115,498,722	\$5,355,507	(\$1,500,000)	\$3,855,507
Bismarck State College		1,785,000		1,785,000
Lake Region State College		375,000		375,000
Williston State College				
University of North Dakota		53,300,000		53,300,000
UND Medical Center				
North Dakota State University		26,000,000		26,000,000
State College of Science		3,668,920		3,668,920
Dickinson State University		10,882,047	(5,882,047)	5,000,000
Mayville State University		5,505,000	(1,355,000)	4,150,000
Minot State University				
Valley City State University		4,085,300	(785,300)	3,300,000
Minot State University - Bottineau				
Forest Service	1,090,001	1,090,001		1,090,001
Total other funds	\$116,588,723	\$112,046,775	(\$9,522,347)	\$102,524,428

Detail of Senate Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	PROVIDES FUNDING FOR OPERATIONS POOL 6
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University				(\$5,882,047)		
Mayville State University				(1,355,000)		
Minot State University						
Valley City State University				(785,300)		
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	(\$8,022,347)	\$0	\$0	\$0

	ADJUSTS FUNDING FOR CAPITAL ASSETS 7	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 8	RESTORES FUNDING FOR CAMPUS OPERATIONS 9	REMOVES FUNDING FOR MARKETING INITIATIVE 10	TOTAL OTHER FUNDS CHANGES
University System office		(\$1,500,000)			(\$1,500,000)
Bismarck State College					
Lake Region State College					
Williston State College					
University of North Dakota					
UND Medical Center					
North Dakota State University					
State College of Science					
Dickinson State University					(5,882,047)
Mayville State University					(1,355,000)
Minot State University					
Valley City State University					(785,300)
Minot State University - Bottineau					
Forest Service					
Total other funds	\$0	(\$1,500,000)	\$0	\$0	(\$9,522,347)

House Bill No. 1003 - All Funds Summary

EXECUTIVE	HOUSE	SENATE	SENATE
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	BUDGET	VERSION	CHANGES	VERSION
University System office	\$467,577,358	\$64,407,816	(\$2,561,996)	\$61,845,820
Bismarck State College		17,528,038	(30,711)	17,497,327
Lake Region State College		5,383,655	(6,142)	5,377,513
Williston State College		5,407,971	(6,810)	5,401,161
University of North Dakota		140,347,079	48,183	140,395,262
UND Medical Center		30,268,879	(278,014)	29,990,865
North Dakota State University		94,613,514	(49,024)	94,564,490
State College of Science		28,217,311	(38,067)	28,179,244
Dickinson State University		24,866,887	(5,899,094)	18,967,793
Mayville State University		14,119,424	(1,277,500)	12,841,924
Minot State University		26,166,992	(34,564)	26,132,428
Valley City State University		15,494,712	(624,706)	14,870,006
Minot State University - Bottineau		4,169,664	92,855	4,262,519
Forest Service	<u>2,915,258</u>	<u>2,863,276</u>	<u>(2,199)</u>	<u>2,861,077</u>
Total all funds	\$470,492,616	\$473,855,218	(\$10,667,789)	\$463,187,429
FTE	2,400.38	2,400.38	0.00	2,400.38

Detail of Senate Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	PROVIDES FUNDING FOR OPERATIONS POOL 6
University System office	(\$2,064)	(\$1,049,932)	(\$1,310,000)	(\$1,000,000)	\$50,000	\$2,000,000
Bismarck State College		(30,711)				
Lake Region State College		(6,142)				
Williston State College		(6,810)				
University of North Dakota		(101,817)			(50,000)	
UND Medical Center		(28,014)				
North Dakota State University		(49,024)				
State College of Science		(38,067)				
Dickinson State University		(17,047)	(5,882,047)			
Mayville State University		(22,500)	(1,355,000)			
Minot State University		(34,564)				
Valley City State University		(39,406)	(785,300)			
Minot State University - Bottineau		(4,145)				
Forest Service	<u>(1,961)</u>	<u>(238)</u>				
Total all funds	(\$4,025)	(\$1,428,417)	(\$9,332,347)	(\$1,000,000)	\$0	\$2,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADJUSTS FUNDING FOR CAPITAL ASSETS 7	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 8	RESTORES FUNDING FOR CAMPUS OPERATIONS 9	REMOVES FUNDING FOR MARKETING INITIATIVE 10	TOTAL ALL FUNDS CHANGES
University System office		(\$1,250,000)			(\$2,561,996)
Bismarck State College					(30,711)
Lake Region State College					(6,142)
Williston State College					(6,810)
University of North Dakota			\$250,000	(\$50,000)	48,183
UND Medical Center			(250,000)		(278,014)
North Dakota State University					(49,024)
State College of Science					(38,067)
Dickinson State University				(5,899,094)	(5,899,094)
Mayville State University			100,000		(1,277,500)
Minot State University					(34,564)
Valley City State University			200,000		(624,706)
Minot State University - Bottineau	\$97,000				92,855
Forest Service					<u>(2,199)</u>
Total all funds	\$97,000	(\$1,250,000)	\$300,000	(\$50,000)	(\$10,667,789)
FTE	0.00	0.00	0.00	0.00	0.00

1 This amendment reduces funding for state employee health insurance premiums from \$493 per month to \$488.70 per month. This only affects the North Dakota University System office and the Forest Service. The executive budget recommendation included no funding for health insurance increases for higher education institutions.

2 This amendment reduces the general fund for the North Dakota University System office, higher education institutions, and the Forest Service equivalent to a 4 percent reduction in information technology funding; however, the reductions are not limited to information technology.

3 This amendment removes the authorization provided by the House for the Industrial Commission to issue bonds totaling \$8,022,347 for construction costs associated with the following projects:

Dickinson State University	Murphy Hall Phase I addition	\$5,882,047
Valley City State University	Graichen Gymnasium elevator and emergency exits	\$785,300
Mayville State University	Steamline replacement Phase 2	\$1,355,000

This amendment removes the escrow account established for the purpose of making the first four annual lease rental payments for the retirement of the bonds. The escrow account was to consist of up to \$1,310,000 transferred from the general fund amounts appropriated for capital assets in Subdivision 1 of Section 1 and \$250,000 provided as local responsibility from other Dickinson State University fund sources.

- 4 This amendment provides funding of \$4,100,000 from the general fund for competitive research, a decrease in funding from the House version of \$900,000, and provides funding of \$1,900,000 from the general fund for centers for excellence, a decrease in funding from the House version of \$100,000. The amendment provides \$100,000 of the funding for competitive research is for the establishment of a design center at the University of North Dakota. The amendment also provides \$1,500,000 of the funding for centers for excellence is for the John D. Odegard Center for Aerospace - Center of Excellence in Multimedia Technology and \$500,000 is to be allocated by the State Board of Higher Education for future centers for excellence. Of the funding for the John D. Odegard Center for Aerospace - Center of Excellence in Multimedia Technology, \$206,000 is for an Expanded Air Service Enterprise - Upper Great Plains Air Taxi Service Initiative.
- 5 This amendment restores funding of \$50,000 from the general fund to the North Dakota University System office board initiatives line item and remove funding of \$50,000 from the general fund allocated by the House to the University of North Dakota for the university's Nordic Initiative.
- 6 This amendment provides funding of \$2 million from the general fund for an operations pool to be allocated by the State Board of Higher Education to higher education institutions.
- 7 **Mayville State University** - This amendment transfers funding of \$50,000 from a special line item as provided by the House for improvements in Old Main to the university's capital assets line item. The funding is intended to provide total capital assets funding equivalent to 3.89 percent of the North Dakota University System capital assets funding formula.
- Minot State University - Bottineau** - This amendment provides capital assets funding of \$97,000 from the general fund to Minot State University - Bottineau. The funding is intended to provide total capital assets funding equivalent to 10.49 percent of the North Dakota University System capital assets funding formula.
- 8 This amendment removes the special funds spending authority of \$1.5 million added by the House for the student financial assistance grants relating to potential payments that may be received under the North Dakota-Minnesota reciprocity agreement and modifies Section 6 of the engrossed bill to provide that the North Dakota University System office is appropriated all additional funds received under the North Dakota-Minnesota reciprocity agreement for student financial assistance grants. In addition, the amendment also increases funding for the scholars program by \$250,000 from the general fund, from \$816,368 to \$1,066,368.
- 9 This amendment restores funding of \$250,000 from the general fund to the University of North Dakota, from the University of North Dakota Medical School. This amendment also provides funding of \$100,000 from the general fund to Mayville State University and \$200,000 from the general fund to Valley City State University for costs associated with the institutions' high-tech laptop computer initiatives.
- 10 This amendment removes funding of \$50,000 from the general fund provided by the House to the University of North Dakota for a grant to the university's athletic department for a Canadian marketing initiative relating to the 2005 World Junior Hockey Tournament.

House Bill No. 1003 - Other Changes - Senate Action

This amendment also:

- Amends Section 11 of the bill to clarify language regarding funding included from the water development trust fund for disaster-related costs.
- Amends Section 16 of the bill to remove two new accountability measures added by the House.
- Amends Section 17 of the bill to increase the transfer from the student loan trust fund to the state general fund by \$1 million, from \$13,258,969 to \$14,258,969.
- Adds a section to the bill relating to education incentive programs.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the transfer of funds from a higher education institution's operations line item to the capital assets line item.
- Adds a section to the bill providing for a Legislative Council study relating to the continuation of the higher education study.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the construction of a basketball arena for the University of North Dakota to be funded with private funds.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the University of North Dakota to purchase for a sum of \$1.2 million a hotel and land upon which the hotel is located for use as a student residence facility.
- Adds a section to the bill relating to the Mayville State University fieldhouse renovation project.
- Adds a section to the bill relating to funding for the University of North Dakota Medical School.
- Amends the emergency clause to include the contingency and capital emergency line item and Section 11 of the bill.

REPORT OF STANDING COMMITTEE

HB 1011, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1011 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "2,243,188" with "2,241,434"

Page 1, line 9, replace "30,184,537" with "31,050,271"

Page 1, line 10, replace "1,016,963" with "1,016,344"

Page 1, line 11, replace "33,444,688" with "34,308,049"

Page 1, line 12, replace "14,590,404" with "15,490,537"

Page 1, line 13, replace "18,854,284" with "18,817,512"

Page 1, line 15, replace "\$6,611,080" with "\$7,453,504"

Page 1, line 18, after the period insert "Of this sum, up to \$847,000 may be transferred only for the purpose of defraying the costs of operating the Beach, Bowman, and Mooreton weigh stations for the 2003-05 biennium."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1011 - Highway Patrol - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Administration	\$2,263,853	\$2,243,188	(\$1,754)	\$2,241,434
Field operations	30,184,984	30,184,537	865,734	31,050,271
Law Enforcement Training Academy	1,023,023	1,016,963	(619)	1,016,344
Total all funds	\$33,471,860	\$33,444,688	\$863,361	\$34,308,049
Less estimated income	<u>14,473,199</u>	<u>14,590,404</u>	<u>900,133</u>	<u>15,490,537</u>
General fund	\$18,998,661	\$18,854,284	(\$36,772)	\$18,817,512
FTE	181.00	183.00	9.00	192.00

Dept. 504 - Highway Patrol - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	ADDS FUNDING FOR WEIGH STATIONS ³	TOTAL SENATE CHANGES
Administration	(\$1,754)			(\$1,754)
Field operations	(16,306)	(\$23,960)	\$906,000	865,734
Law Enforcement Training Academy	(619)			(619)
Total all funds	(\$18,679)	(\$23,960)	\$906,000	\$863,361
Less estimated income	<u>(5,867)</u>		<u>906,000</u>	<u>900,133</u>
General fund	(\$12,812)	(\$23,960)	\$0	(\$36,772)
FTE	0.00	0.00	9.00	9.00

¹ Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$23,960 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

³ Funding is added from the highway tax distribution fund of \$847,000 and from federal funds of \$59,000 for costs of operating the Beach, Bowman, and Mooreton weigh stations for the 2003-05 biennium. Section 2 of the bill is changed to provide that the \$847,000 from the highway tax distribution fund may only be used for operating costs of these three weigh stations.

REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 2, replace the first "and" with "to authorize the department of transportation to acquire lands;"

Page 1, line 3, replace "section" with "sections 24-01-51,", after "24-02-44" insert ", and 39-04-19", after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws", and after "to" insert "haying of no-mow areas,"

Page 1, line 4, after "Dakota" insert ", and motor vehicle registration fees; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation"

Page 1, line 11, replace "105,330,558" with "105,222,404"

Page 1, line 12, replace "113,252,369" with "122,650,587"

Page 1, line 13, replace "471,096,984" with "512,175,642"

Page 1, line 15, replace "733,765,414" with "784,134,136"

Page 1, after line 15, insert:

"SECTION 2. ACQUIRING LAND IN NO-MOW AND MANAGED-MOW AREAS. The department of transportation may acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow areas, the department shall hold a public hearing in the county in which the land is located before the land is acquired.

SECTION 3. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 2, after line 3, insert:

"SECTION 5. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years	
Less than 3,200	\$57.00 <u>\$60</u>	\$49.00 <u>\$52</u>	\$41.00 <u>\$44</u>	\$33.00 <u>\$36</u>	
3,200 - 4,499	77.00 <u>80</u>	65.00 <u>68</u>	53.00 <u>56</u>	41.00 <u>44</u>	
4,500 - 4,999	95.00 <u>98</u>	78.00 <u>81</u>	63.00 <u>66</u>	47.00 <u>50</u>	
5,000 - 5,999	126.00 <u>129</u>	104.00 <u>107</u>	82.00 <u>85</u>	60.00 <u>63</u>	
6,000 - 6,999	159.00 <u>162</u>	130.00 <u>133</u>	101.00 <u>104</u>	73.00 <u>76</u>	
7,000 - 7,999	192.00 <u>195</u>	156.00 <u>159</u>	121.00 <u>124</u>	86.00 <u>89</u>	
8,000 - 8,999	225.00 <u>228</u>	183.00 <u>186</u>	141.00 <u>144</u>	99.00 <u>102</u>	
9,000 and over	258.00 <u>261</u>	209.00 <u>212</u>	161.00 <u>164</u>	112.00 <u>115</u>	

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$55.00 <u>\$58</u>	\$42.00 <u>\$45</u>	\$37.00 <u>\$40</u>	\$34.00 <u>\$37</u>	\$33.00 <u>\$36</u>
4,001 - 6,000	60.00 <u>63</u>	47.00 <u>50</u>	41.00 <u>44</u>	35.00 <u>38</u>	34.00 <u>37</u>
6,001 - 8,000	65.00 <u>68</u>	52.00 <u>55</u>	45.00 <u>48</u>	36.00 <u>39</u>	35.00 <u>38</u>
8,001 - 10,000	70.00 <u>73</u>	57.00 <u>60</u>	49.00 <u>52</u>	38.00 <u>41</u>	37.00 <u>40</u>
10,001 - 12,000	75.00 <u>78</u>	62.00 <u>65</u>	53.00 <u>56</u>	40.00 <u>43</u>	39.00 <u>42</u>
12,001 - 14,000	80.00 <u>83</u>	67.00 <u>70</u>	57.00 <u>60</u>	43.00 <u>46</u>	42.00 <u>45</u>
14,001 - 16,000	85.00 <u>88</u>	72.00 <u>75</u>	61.00 <u>64</u>	46.00 <u>49</u>	45.00 <u>48</u>
16,001 - 18,000	90.00 <u>93</u>	77.00 <u>80</u>	65.00 <u>68</u>	48.00 <u>51</u>	47.00 <u>50</u>
18,001 - 20,000	93.00 <u>96</u>	80.00 <u>83</u>	67.00 <u>70</u>	49.00 <u>52</u>	48.00 <u>51</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 <u>\$126</u>	\$97.00 <u>\$100</u>	\$84.00 <u>\$87</u>
22,001 - 26,000	175.00 <u>178</u>	145.00 <u>148</u>	129.00 <u>132</u>
26,001 - 30,000	236.00 <u>239</u>	194.00 <u>197</u>	172.00 <u>175</u>
30,001 - 34,000	302.00 <u>305</u>	247.00 <u>250</u>	219.00 <u>222</u>
34,001 - 38,000	363.00 <u>366</u>	296.00 <u>299</u>	262.00 <u>265</u>
38,001 - 42,000	424.00 <u>427</u>	345.00 <u>348</u>	304.00 <u>307</u>
42,001 - 46,000	485.00 <u>488</u>	393.00 <u>396</u>	347.00 <u>350</u>
46,001 - 50,000	546.00 <u>549</u>	442.00 <u>445</u>	390.00 <u>393</u>
50,001 - 54,000	616.00 <u>619</u>	500.00 <u>503</u>	441.00 <u>444</u>
54,001 - 58,000	677.00 <u>680</u>	549.00 <u>552</u>	484.00 <u>487</u>
58,001 - 62,000	739.00 <u>742</u>	598.00 <u>601</u>	527.00 <u>530</u>
62,001 - 66,000	799.00 <u>802</u>	646.00 <u>649</u>	570.00 <u>573</u>
66,001 - 70,000	860.00 <u>863</u>	695.00 <u>698</u>	612.00 <u>615</u>
70,001 - 74,000	921.00 <u>924</u>	744.00 <u>747</u>	655.00 <u>658</u>
74,001 - 78,000	982.00 <u>985</u>	793.00 <u>796</u>	698.00 <u>701</u>
78,001 - 82,000	1,043.00 <u>1,046</u>	842.00 <u>845</u>	741.00 <u>744</u>
82,001 - 86,000	1,166.00 <u>1,169</u>	947.00 <u>950</u>	828.00 <u>831</u>
86,001 - 90,000	1,288.00 <u>1,291</u>	1,051.00 <u>1,054</u>	915.00 <u>918</u>
90,001 - 94,000	1,410.00 <u>1,413</u>	1,156.00 <u>1,159</u>	1,002.00 <u>1,005</u>
94,001 - 98,000	1,532.00 <u>1,535</u>	1,261.00 <u>1,264</u>	1,090.00 <u>1,093</u>
98,001 - 102,000	1,654.00 <u>1,657</u>	1,365.00 <u>1,368</u>	1,177.00 <u>1,180</u>
102,001 - 105,500	1,776.00 <u>1,779</u>	1,470.00 <u>1,473</u>	1,264.00 <u>1,267</u>

- c. Motorcycles, fifteen dollars.

- Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
- Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or

identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.

5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$95.00 <u>\$98</u>	\$81.00 <u>\$84</u>	\$67.00 <u>\$70</u>	\$49.00 <u>\$52</u>
22,001 - 24,000	100.00 <u>103</u>	85.00 <u>88</u>	70.00 <u>73</u>	51.00 <u>54</u>
24,001 - 26,000	108.00 <u>111</u>	91.00 <u>94</u>	74.00 <u>77</u>	53.00 <u>56</u>
26,001 - 28,000	119.00 <u>122</u>	99.00 <u>102</u>	80.00 <u>83</u>	57.00 <u>60</u>
28,001 - 30,000	128.00 <u>131</u>	107.00 <u>110</u>	86.00 <u>89</u>	61.00 <u>64</u>
30,001 - 32,000	143.00 <u>146</u>	120.00 <u>123</u>	97.00 <u>100</u>	70.00 <u>73</u>
32,001 - 34,000	153.00 <u>156</u>	128.00 <u>131</u>	103.00 <u>106</u>	74.00 <u>77</u>
34,001 - 36,000	163.00 <u>166</u>	136.00 <u>139</u>	109.00 <u>112</u>	78.00 <u>81</u>
36,001 - 38,000	173.00 <u>176</u>	144.00 <u>147</u>	115.00 <u>118</u>	82.00 <u>85</u>
38,001 - 40,000	183.00 <u>186</u>	152.00 <u>155</u>	121.00 <u>124</u>	86.00 <u>89</u>
40,001 - 42,000	193.00 <u>196</u>	160.00 <u>163</u>	127.00 <u>130</u>	90.00 <u>93</u>
42,001 - 44,000	203.00 <u>206</u>	168.00 <u>171</u>	133.00 <u>136</u>	94.00 <u>97</u>
44,001 - 46,000	213.00 <u>216</u>	176.00 <u>179</u>	139.00 <u>142</u>	98.00 <u>101</u>
46,001 - 48,000	223.00 <u>226</u>	184.00 <u>187</u>	145.00 <u>148</u>	102.00 <u>105</u>
48,001 - 50,000	233.00 <u>236</u>	192.00 <u>195</u>	151.00 <u>154</u>	106.00 <u>109</u>
50,001 - 52,000	253.00 <u>256</u>	210.00 <u>213</u>	167.00 <u>170</u>	120.00 <u>123</u>
52,001 - 54,000	263.00 <u>266</u>	218.00 <u>221</u>	173.00 <u>176</u>	124.00 <u>127</u>
54,001 - 56,000	273.00 <u>276</u>	226.00 <u>229</u>	179.00 <u>182</u>	128.00 <u>131</u>
56,001 - 58,000	283.00 <u>286</u>	234.00 <u>237</u>	185.00 <u>188</u>	132.00 <u>135</u>
58,001 - 60,000	293.00 <u>296</u>	242.00 <u>245</u>	191.00 <u>194</u>	136.00 <u>139</u>
60,001 - 62,000	303.00 <u>306</u>	250.00 <u>253</u>	197.00 <u>200</u>	140.00 <u>143</u>
62,001 - 64,000	313.00 <u>316</u>	258.00 <u>261</u>	203.00 <u>206</u>	144.00 <u>147</u>
64,001 - 66,000	323.00 <u>326</u>	266.00 <u>269</u>	209.00 <u>212</u>	148.00 <u>151</u>
66,001 - 68,000	333.00 <u>336</u>	274.00 <u>277</u>	215.00 <u>218</u>	152.00 <u>155</u>
68,001 - 70,000	343.00 <u>346</u>	282.00 <u>285</u>	221.00 <u>224</u>	156.00 <u>159</u>
70,001 - 72,000	353.00 <u>356</u>	290.00 <u>293</u>	227.00 <u>230</u>	160.00 <u>163</u>
72,001 - 74,000	363.00 <u>366</u>	298.00 <u>301</u>	233.00 <u>236</u>	164.00 <u>167</u>
74,001 - 76,000	373.00 <u>376</u>	306.00 <u>309</u>	239.00 <u>242</u>	168.00 <u>171</u>
76,001 - 78,000	383.00 <u>386</u>	314.00 <u>317</u>	245.00 <u>248</u>	172.00 <u>175</u>
78,001 - 80,000	393.00 <u>396</u>	322.00 <u>325</u>	251.00 <u>254</u>	176.00 <u>179</u>
80,001 - 82,000	403.00 <u>406</u>	330.00 <u>333</u>	257.00 <u>260</u>	180.00 <u>183</u>
82,001 - 84,000	413.00 <u>416</u>	352.00 <u>355</u>	300.00 <u>303</u>	256.00 <u>259</u>
84,001 - 86,000	433.00 <u>436</u>	369.00 <u>372</u>	314.00 <u>317</u>	268.00 <u>271</u>
86,001 - 88,000	453.00 <u>456</u>	386.00 <u>389</u>	328.00 <u>331</u>	280.00 <u>283</u>
88,001 - 90,000	473.00 <u>476</u>	403.00 <u>406</u>	342.00 <u>345</u>	292.00 <u>295</u>
90,001 - 92,000	493.00 <u>496</u>	420.00 <u>423</u>	356.00 <u>359</u>	304.00 <u>307</u>
92,001 - 94,000	513.00 <u>516</u>	437.00 <u>440</u>	370.00 <u>373</u>	316.00 <u>319</u>
94,001 - 96,000	533.00 <u>536</u>	454.00 <u>457</u>	384.00 <u>387</u>	328.00 <u>331</u>
96,001 - 98,000	553.00 <u>556</u>	471.00 <u>474</u>	398.00 <u>401</u>	340.00 <u>343</u>
98,001 - 100,000	573.00 <u>576</u>	488.00 <u>491</u>	412.00 <u>415</u>	352.00 <u>355</u>
100,001 - 102,000	593.00 <u>596</u>	505.00 <u>508</u>	426.00 <u>429</u>	364.00 <u>367</u>

102,001 - 104,000	613.00 616	522.00 525	440.00 443	376.00 379
104,001 - 105,500	633.00 636	539.00 542	454.00 457	388.00 391

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

SECTION 6. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 7. TEMPORARY ALLOCATION. ~~Two~~Four dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 7. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$106,357,711	\$105,330,558	(\$108,154)	\$105,222,404
Operating expenses	124,852,369	113,252,369	9,398,218	122,650,587
Capital assets	459,496,984	471,096,984	41,078,658	512,175,642
Grants	<u>44,085,503</u>	<u>44,085,503</u>		<u>44,085,503</u>
Total all funds	\$734,792,567	\$733,765,414	\$50,368,722	\$784,134,136
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,368,722</u>	<u>784,134,136</u>
General fund	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00

Dept. 801 - Department of Transportation - Detail of Senate Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING ¹	ADDS FEDERAL HIGHWAY FUNDING ²	ADDS FUNDING FOR HIGHWAY PROJECTS ³	REDUCES THE RECOMMENDED FUNDING FOR HEALTH INSURANCE ⁴	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ⁵	TOTAL SENATE CHANGES
Salaries and wages				(\$108,154)		(\$108,154)
Operating expenses	\$10,000,000				(\$601,782)	9,398,218
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$601,782)	\$50,368,722
Less estimated income	<u>43,750,000</u>	<u>7,100,000</u>	<u>228,658</u>	<u>(108,154)</u>	<u>(601,782)</u>	<u>50,368,722</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The capital assets line item is increased by \$33,750,000 for highway construction projects, and the operating expenses line item is increased by \$10 million for costs relating to consulting engineers. These increases reflect federal highway construction funding available to North Dakota of \$182.5 million for each year of the 2003-05 biennium, an increase of \$17.5 million per year compared to the \$165 million per year anticipated in the executive budget and House version. Of the total increase of \$43,750,000, \$35 million is from federal funds and \$8,750,000 is from the highway fund.

² The capital assets line item is increased by \$7,100,000 of federal funds for highway projects that do not require a state match.

³ The capital assets line item is increased by \$228,658 to utilize federal funding (\$182,926) and related state matching funds (\$45,732) removed by the House for the state employee salary increase for highway construction projects.

⁴ Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

⁵ This amendment reduces funding for information technology by \$601,782 of special funds which represents a reduction in information technology funding of approximately 4 percent.

Sections are added increasing motor vehicle registration fees by \$3 per year. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$2 to \$4 and removes the expiration date of June 30, 2005, for this allocation.

A section is added authorizing the department to acquire land to eliminate no-mow or managed-mow areas along state highways.

A section is added delaying the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

REPORT OF STANDING COMMITTEE

HB 1019, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "for a report to the budget" with "an exemption"

Page 1, line 3, remove "section"

Page 1, line 4, replace "to designate the department of commerce as the state's fiscal" with "to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to a continuing appropriation and centers of excellence"

Page 1, line 5, remove "agent for workforce development programs"

Page 1, line 15, replace "6,718,913" with "6,713,340"

Page 1, line 16, replace "8,442,124" with "8,442,223"

Page 1, line 17, replace "73,864,584" with "46,585,026"

Page 1, after line 17, insert:

"Discretionary grants	1,697,127
North Dakota development fund	2,000,000"

Page 1, line 18, replace "5,483,385" with "2,983,179"

Page 1, line 19, replace "852,014" with "851,911"

Page 1, line 20, replace "95,361,020" with "69,272,806"

Page 1, line 21, replace "77,534,217" with "51,954,482"

Page 1, line 22, replace "17,826,803" with "17,318,324"

Page 2, replace lines 3 through 6 with:

"SECTION 3. EXEMPTION. The funds appropriated in the discretionary grants line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 2, remove lines 16 through 18

Page 3, remove lines 1 through 17

Page 3, line 27, after "The" insert "discretionary"

Page 4, replace lines 1 through 8 with:

"SECTION 11. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING. The discretionary grants line item in section 1 of this Act includes \$200,000 from the general fund for the purpose of contracting with a private organization for conducting a marketing and image-building campaign for the red river valley research corridor during the second year of the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 12. FORT ABRAHAM LINCOLN GRANT. The discretionary grants line item in section 1 of this Act includes \$100,000 from the general fund for the tourism division for the purpose of providing a grant to the Fort Abraham Lincoln foundation for costs associated with the national guard reconstruction of the seventh cavalry stable,

interpretation of the stable, and maintenance and repairs of other fort buildings, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 13. DEVELOPMENT FUND - CENTERS OF EXCELLENCE GRANTS. Notwithstanding chapter 10-30.5, the department of commerce shall provide a grant from the development fund of \$1,500,000 to the North Dakota state university center for technology enterprise and of \$1,000,000 to the university of North Dakota center for innovation. The department shall provide the grant on October 1, 2003.

SECTION 14. LEGISLATIVE INTENT - INTERNSHIP PROGRAM. It is the intent of the legislative assembly that the department of commerce workforce development division develop an internship program involving its internet web site and in conjunction with North Dakota university system programs.

SECTION 15. Two new sections to chapter 54-60 of the North Dakota Century Code are created and enacted as follows:

Internet web site fee collections - Continuing appropriation. Notwithstanding any other section of law, any moneys received by the department of commerce as subscriptions, commissions, fees, or other revenue from its career guidance and job opportunity services internet web site and deposited in its operating fund are hereby appropriated to the department on a continuing basis for payment of expenses related to administration of the web site.

Centers of excellence.

1. The department shall establish and administer a centers of excellence program. The centers of excellence include the North Dakota state university center for beef systems, the North Dakota state university center for nanoscale science and engineering, the North Dakota state university center for technology enterprise, the North Dakota state university center for high performance computing, the university of North Dakota center for innovation, and the university of North Dakota center for aerospace sciences. Before January 1, 2004, the foundation, in consultation with the state board of higher education, shall establish and shall provide the department with centers of excellence eligibility criteria. The department may designate additional centers of excellence based on the established eligibility criteria.
2. The purpose of the program is to develop and engage strategies for science and technology research and development, commercialization, entrepreneurship, infrastructure, and activities in the state to develop innovative approaches that expand the gross state product; to assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in growth clusters most likely to increase the gross state product; to increase collaboration among state, federal, and private research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.
3. An application for funds under the centers for excellence program must be received by the department before July first of the biennium during which the funds are awarded. A recipient of funds under this section shall use the funds to enhance capacity, enhance infrastructure, and leverage state, federal, and private sources of funding. Funds awarded under this section may not be used for operations or for academic instruction. The department may award funds under this section to research universities, university-related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry clusters that will contribute to the gross state product. A recipient of funds under this section which is an institution of higher education under the control of the board of higher education or which is a nonprofit

university-related foundation shall provide the department with documentation of availability of two dollars of matching funds for each dollar of funds awarded under this section as a condition of eligibility for receipt of funds under this section; shall provide the department with annual reports for the four years following receipt of the funds; and may not use funds awarded under this section for indirect cost recovery."

Page 4, line 17, after the second "than" insert "two hundred", remove the overstrike over "~~fifty~~", and remove "one"

Page 4, line 18, remove "hundred"

Page 5, overstrike lines 5 and 6

Page 5, line 7, overstrike "7." and insert immediately thereafter "6."

Page 5, line 11, overstrike "8." and insert immediately thereafter "7."

Page 5, line 17, overstrike "9." and insert immediately thereafter "8."

Page 5, line 26, replace "2003" with "2002"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Department of Commerce - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340
Operating expenses	8,842,124	8,442,124	99	8,442,223
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026
Agricultural products utilization	6,770,557	5,483,385	(2,500,206)	2,983,179
Lewis and Clark bicentennial discretionary grants	853,147	852,014	(103)	851,911
North Dakota development fund			1,697,127	1,697,127
			2,000,000	2,000,000
Total all funds	\$71,289,250	\$95,361,020	(\$26,088,214)	\$69,272,806
Less estimated income	<u>55,759,805</u>	<u>77,534,217</u>	<u>(25,579,735)</u>	<u>51,954,482</u>
General fund	\$15,529,445	\$17,826,803	(\$508,479)	\$17,318,324
FTE	57.00	57.00	0.00	57.00

Dept. 601 - Department of Commerce - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	RESTORES OPERATING FUNDS 3	CHANGES DEVELOPMENT FUND ADMINISTRATIVE COSTS 4	REMOVES CONSOLIDATION OF WORKFORCE PROGRAMS 5	REMOVES FUNDING FOR INTERNSHIP PROGRAMS 6
Salaries and wages	(\$5,573)					
Operating expenses		(\$19,901)	\$20,000			
Grants					(\$25,032,431)	(\$1,000,000)
Agricultural products utilization	(206)					
Lewis and Clark bicentennial discretionary grants	(103)					
North Dakota development fund						
Total all funds	(\$5,882)	(\$19,901)	\$20,000	\$0	(\$25,032,431)	(\$1,000,000)
Less estimated income	<u>(1,540)</u>			<u>(398,625)</u>	<u>(22,679,570)</u>	
General fund	(\$4,342)	(\$19,901)	\$20,000	\$398,625	(\$2,352,861)	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Salaries and wages
Operating expenses

REMOVES FUNDING FOR ETHANOL INCENTIVES 7
 CREATES A SEPARATE LINE ITEM FOR DISCRETIONARY GRANTS 8
 ADDS FUNDING FOR DISCRETIONARY GRANTS 9
 ADDS FUNDING FOR FEASIBILITY STUDY 10
 ADDS FUNDING FOR MARKETING 11
 ADDS FUNDING FOR HOCKEY MARKETING INITIATIVE 12

Grants		(\$1,247,127)				
Agricultural products utilization	(\$2,500,000)					
Lewis and Clark bicentennial						
Discretionary grants North Dakota development fund		1,247,127	\$150,000	\$50,000	\$200,000	\$50,000
Total all funds	(\$2,500,000)	\$0	\$150,000	\$50,000	\$200,000	\$50,000
Less estimated income	<u>(2,500,000)</u>					
General fund	\$0	\$0	\$150,000	\$50,000	\$200,000	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADDS FUNDING FOR DEVELOPMENT FUND 13	TOTAL SENATE CHANGES
Salaries and wages		(\$5,573)
Operating expenses		99
Grants		(27,279,558)
Agricultural products utilization		(2,500,206)
Lewis and Clark bicentennial		(103)
Discretionary grants North Dakota development fund	\$2,000,000	1,697,127 2,000,000
Total all funds	\$2,000,000	(\$26,088,214)
Less estimated income		<u>(25,579,735)</u>
General fund	\$2,000,000	(\$508,479)
FTE	0.00	0.00

- 1 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.
- 2 This amendment reduces funding for information technology by \$19,901 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.
- 3 The operating expenses line item is increased to restore \$20,000 of the \$200,000 general fund reduction made by the House for operating costs of the research, business development, and marketing programs of the Division of Economic Development and Finance.
- 4 The funding source for the administrative costs of the development fund is changed to the general fund, the same as the executive budget. The House provided that development fund administrative costs be paid from the development fund.
- 5 The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. As a result, funding added by the House for the following programs is removed:

AGENCY/ PROGRAM	GENERAL FUND	FEDERAL FUNDS	SPECIAL FUNDS	TOTAL
Department of Human Services - Job opportunities and basic skills (JOBS)		(\$8,225,614)		(\$8,225,614)
Department of Human Services - Basic employment skills training (BEST)		(391,198)	(\$7,500)	(398,698)
Job Service - Workforce 2000	(\$1,002,861)			(1,002,861)
Job Service - Senior community service employment		(1,070,352)		(1,070,352)
Job Service - Trade adjustment assistance		(99,800)		(99,800)
Job Service - Workforce Investment Act		(12,735,106)		(12,735,106)
Job Service - New jobs training program			(150,000)	(150,000)
Board for Vocational and Technical Education - Workforce training contracts	(1,350,000)			(1,350,000)
Total	(\$2,352,861)	(\$22,522,070)	(\$157,500)	(\$25,032,431)

- 6 Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the workforce development division develop a streamlined internship program involving its web site and in conjunction with university system efforts.
- 7 Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222 which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments.
- 8 Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium.
- 9 The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium.
- 10 Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state.

11 The discretionary grants line item is increased by \$200,000 from the general fund. A section of legislative intent is added providing that this funding be used for a marketing and image-building campaign for the Red River Valley research corridor beginning in the second year of the biennium.

12 The discretionary grants line item is increased by \$50,000 from the general fund for a Canadian marketing initiative relating to the 2005 World Junior Hockey Tournament in Grand Forks.

13 Funding is added for the development fund.

The section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakota tourist attractions is removed.

A section is added providing that the department use \$100,000 of the discretionary grants line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings.

The section added by the House precluding the department from spending funding to support the New Economy Initiative is removed.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department is removed.

A section is added providing a continuing appropriation for moneys collected from the NDhasjobs.com internet web site.

The maximum seed capital investment that is eligible for an individual income tax credit is increased from the House version of \$100,000 to \$250,000, provisions limiting investments in one qualified business to no more than \$250,000 is removed, and the effective date is changed from taxable years beginning after December 31, 2003, to taxable years beginning after December 31, 2002.

Sections are added creating a Centers of Excellence program and identifying the following entities as Centers of Excellence for the 2003-05 biennium:

- NDSU Center for Beef Systems
- NDSU Center for Nanoscale Science and Engineering
- UND Center for Innovation
- NDSU Center for Technology Enterprise
- UND Center for Aerospace Sciences
- NDSU Center for High Performance Computing

A section is added providing that as of October 1, 2003, the development fund provide \$1.5 million to the NDSU Technology Enterprise and \$1 million to the UND Center for Innovation.

REPORT OF STANDING COMMITTEE

HB 1021, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1021 was placed on the Sixth order on the calendar.

Page 1, line 3, after "farm" insert "; and to provide legislative intent"

Page 1, after line 13, insert:

"Extension service
Soil conservation committee

\$33,575,779
778,679"

Page 1, line 14, replace "34,415,856" with "34,354,458"

Page 1, line 15, replace "20,500,178" with "20,486,830"

Page 1, line 16, replace "13,915,678" with "13,867,628"

Page 1, line 19, replace "1,524,784" with "1,523,449"

Page 1, line 20, replace "777,825" with "777,345"

Page 1, line 21, replace "746,959" with "746,104"

Page 2, line 1, replace "10,848,064" with "10,844,753"

Page 2, line 2, replace "10,364,776" with "10,361,651"

Page 2, line 3, replace "483,288" with "483,102"

Page 2, line 6, replace "59,757,658" with "60,721,498"

Page 2, line 7, replace "31,519,854" with "31,506,474"

Page 2, line 8, replace "28,237,804" with "29,215,024"

Page 2, line 11, replace "5,282,891" with "5,281,134"

Page 2, line 12, replace "1,669,065" with "1,667,578"

Page 2, line 13, replace "1,523,475" with "1,521,669"

Page 2, line 14, replace "1,283,914" with "1,282,925"

Page 2, line 15, replace "1,714,374" with "1,712,676"

Page 2, line 16, replace "1,644,295" with "1,643,154"

Page 2, line 17, replace "3,329,112" with "3,326,724"

Page 2, line 18, replace "16,447,126" with "16,435,860"

Page 2, line 19, replace "8,968,852" with "8,967,403"

Page 2, line 20, replace "7,478,274" with "7,468,457"

Page 2, line 23, replace "1,166,914" with "1,166,604"

Page 2, line 24, replace "1,166,914" with "1,166,604"

Page 2, line 25, replace "50,862,003" with "51,780,315"

Page 2, line 26, replace "73,298,399" with "73,266,307"

Page 2, line 27, replace "124,160,402" with "125,046,622"

Page 3, after line 31, insert:

"SECTION 8. LEGISLATIVE INTENT - BEEF SYSTEMS CENTER OF EXCELLENCE. It is the intent of the fifty-eighth legislative assembly that a beef systems center of excellence be established by the department of animal and range science with the \$1,000,000 appropriation provided in subdivision 4 of section 1 of this Act in accordance with the provisions of 2003 Senate Bill No. 2334."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1021 - Summary of Senate Action

	BUDGET	VERSION	CHANGES	VERSION
Transportation Institute				
Total all funds	\$10,901,291	\$10,848,064	(\$3,311)	\$10,844,753
Less estimated income	<u>10,413,762</u>	<u>10,364,776</u>	<u>(3,125)</u>	<u>10,361,651</u>
General fund	\$487,529	\$483,288	(\$186)	\$483,102
Branch research centers				
Total all funds	\$16,531,620	\$16,447,126	(\$11,266)	\$16,435,860
Less estimated income	<u>8,983,676</u>	<u>8,968,852</u>	<u>(1,449)</u>	<u>8,967,403</u>
General fund	\$7,547,944	\$7,478,274	(\$9,817)	\$7,468,457
NDSU Extension Service				
Total all funds	\$35,341,437	\$34,415,856	(\$61,398)	\$34,354,458
Less estimated income	<u>21,239,318</u>	<u>20,500,178</u>	<u>(13,348)</u>	<u>20,486,830</u>
General fund	\$14,102,119	\$13,915,678	(\$48,050)	\$13,867,628
Northern Crops Institute				
Total all funds	\$1,536,257	\$1,524,784	(\$1,335)	\$1,523,449
Less estimated income	<u>782,898</u>	<u>777,825</u>	<u>(480)</u>	<u>777,345</u>
General fund	\$753,359	\$746,959	(\$855)	\$746,104
Main Research Station				
Total all funds	\$60,956,183	\$59,757,658	\$963,840	\$60,721,498
Less estimated income	<u>32,404,239</u>	<u>31,519,854</u>	<u>(13,380)</u>	<u>31,506,474</u>
General fund	\$28,551,944	\$28,237,804	\$977,220	\$29,215,024
Agronomy Seed Farm				
Total all funds	\$1,170,385	\$1,166,914	(\$310)	\$1,166,604
Less estimated income	<u>1,170,385</u>	<u>1,166,914</u>	<u>(310)</u>	<u>1,166,604</u>
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$126,437,173	\$124,160,402	\$886,220	\$125,046,622
Less estimated income	<u>74,994,278</u>	<u>73,298,399</u>	<u>(32,092)</u>	<u>73,266,307</u>
General fund	\$51,442,895	\$50,862,003	\$918,312	\$51,780,315

House Bill No. 1021 - Transportation Institute - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Transportation Institute	<u>\$10,901,291</u>	<u>\$10,848,064</u>	<u>(\$3,311)</u>	<u>\$10,844,753</u>
Total all funds	\$10,901,291	\$10,848,064	(\$3,311)	\$10,844,753
Less estimated income	<u>10,413,762</u>	<u>10,364,776</u>	<u>(3,125)</u>	<u>10,361,651</u>
General fund	\$487,529	\$483,288	(\$186)	\$483,102
FTE	31.50	31.50	0.00	31.50

Dept. 627 - Transportation Institute - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	TOTAL SENATE CHANGES
Transportation Institute	<u>(\$3,302)</u>	<u>(\$9)</u>	<u>(\$3,311)</u>
Total all funds	(\$3,302)	(\$9)	(\$3,311)
Less estimated income	<u>(3,125)</u>		<u>(3,125)</u>
General fund	(\$177)	(\$9)	(\$186)
FTE	0.00	0.00	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$9 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

House Bill No. 1021 - Branch Research Centers - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Dickinson Research Center	\$5,216,097	\$5,282,891	(\$1,757)	\$5,281,134
Central Grasslands Research Center	1,677,073	1,669,065	(1,487)	1,667,578
Hettinger Research Center	1,616,622	1,523,475	(1,806)	1,521,669
Langdon Research Center	1,292,947	1,283,914	(989)	1,282,925
North Central Research Center	1,725,235	1,714,374	(1,698)	1,712,676
Williston Research Center	1,652,770	1,644,295	(1,141)	1,643,154
Carrington Research Center	<u>3,350,876</u>	<u>3,329,112</u>	<u>(2,388)</u>	<u>3,326,724</u>
Total all funds	\$16,531,620	\$16,447,126	(\$11,266)	\$16,435,860
Less estimated income	<u>8,983,676</u>	<u>8,968,852</u>	<u>(1,449)</u>	<u>8,967,403</u>
General fund	\$7,547,944	\$7,478,274	(\$9,817)	\$7,468,457

FTE	73.65	73.65	0.00	73.65
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Dept. 628 - Branch Research Centers - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	TOTAL SENATE CHANGES
Dickinson Research Center	(\$1,757)		(\$1,757)
Central Grasslands Research Center	(724)	(\$763)	(1,487)
Hettinger Research Center	(1,028)	(778)	(1,806)
Langdon Research Center	(827)	(162)	(989)
North Central Research Center	(1,035)	(663)	(1,698)
Williston Research Center	(824)	(317)	(1,141)
Carrington Research Center	(1,958)	(430)	(2,388)
Total all funds	(\$8,153)	(\$3,113)	(\$11,266)
Less estimated income	(1,449)		(1,449)
General fund	(\$6,704)	(\$3,113)	(\$9,817)
FTE	0.00	0.00	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$3,113 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

House Bill No. 1021 - NDSU Extension Service - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
NDSU Extension Service	\$35,341,437	\$34,415,856	(\$840,077)	\$33,575,779
Soil Conservation Committee			<u>778,679</u>	<u>778,679</u>
Total all funds	\$35,341,437	\$34,415,856	(\$61,398)	\$34,354,458
Less estimate income	<u>21,239,318</u>	<u>20,500,178</u>	(13,348)	<u>20,486,830</u>
General fund	\$14,102,119	\$13,915,678	(\$48,050)	\$13,867,628
FTE	277.57	270.57	0.00	270.57

Dept. 630 - NDSU Extension Service - Detail of Senate Changes

	CREATES SOIL CONSERVATION COMMITTEE LINE ITEM ¹	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ²	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ³	TOTAL SENATE CHANGES
NDSU Extension Service	(\$778,679)	(\$28,669)	(\$32,729)	(\$840,077)
Soil Conservation Committee	<u>778,679</u>			<u>778,679</u>
Total all funds	\$0	(\$28,669)	(\$32,729)	(\$61,398)
Less estimated income		(13,348)		(13,348)
General fund	\$0	(\$15,321)	(\$32,729)	(\$48,050)
FTE	0.00	0.00	0.00	0.00

¹ This amendment creates a separate line item under NDSU Extension Service for the Soil Conservation Committee and transfers \$778,679 from the general fund to the line item.

² This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$32,729 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

House Bill No. 1021 - Northern Crops Institute - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Northern Crops Institute	<u>\$1,536,257</u>	<u>\$1,524,784</u>	(<u>\$1,335</u>)	<u>\$1,523,449</u>
Total all funds	\$1,536,257	\$1,524,784	(\$1,335)	\$1,523,449
Less estimated income	<u>782,898</u>	<u>777,825</u>	(480)	<u>777,345</u>
General fund	\$753,359	\$746,959	(\$855)	\$746,104

FTE	8.17	8.17	0.00	8.17
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Dept. 638 - Northern Crops Institute - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL SENATE CHANGES
Northern Crops Institute	<u>(\$929)</u>	<u>(\$406)</u>	<u>(\$1,335)</u>
Total all funds	(\$929)	(\$406)	(\$1,335)
Less estimated income	<u>(480)</u>	_____	<u>(480)</u>
General fund	(\$449)	(\$406)	(\$855)
FTE	0.00	0.00	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$406 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

House Bill No. 1021 - Main Research Station - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Main Research Station	<u>\$60,956,183</u>	<u>\$59,757,658</u>	<u>\$963,840</u>	<u>\$60,721,498</u>
Total all funds	\$60,956,183	\$59,757,658	\$963,840	\$60,721,498
Less estimated income	<u>32,404,239</u>	<u>31,519,854</u>	<u>(13,380)</u>	<u>31,506,474</u>
General fund	\$28,551,944	\$28,237,804	\$977,220	\$29,215,024
FTE	358.55	349.19	0.00	349.19

Dept. 640 - Main Research Station - Detail of Senate Changes

	PROVIDES FUNDING FOR BEEF SYSTEMS CENTER OF EXCELLENCE 1	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	PROVIDES FUNDING FOR INTERACTIVE VIDEO NETWORK COSTS 4	TOTAL SENATE CHANGES
Main Research Station	<u>\$1,000,000</u>	<u>(\$39,020)</u>	<u>(\$17,140)</u>	<u>\$20,000</u>	<u>\$963,840</u>
Total all funds	\$1,000,000	(\$39,020)	(\$17,140)	\$20,000	\$963,840
Less estimated income	_____	<u>(13,380)</u>	_____	_____	<u>(13,380)</u>
General fund	\$1,000,000	(\$25,640)	(\$17,140)	\$20,000	\$977,220
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment provides \$1 million to the Main Research Center for establishment of a beef systems center of excellence in the Department of Animal and Range Science, pursuant to the provisions of 2003 Senate Bill No. 2334.

² This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

³ This amendment reduces funding for information technology by \$17,140 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

⁴ This amendment provides \$20,000 to the Main Research Center to be distributed to branch research centers to assist in offsetting interactive video network costs in remote areas.

House Bill No. 1021 - Agronomy Seed Farm - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Agronomy Seed Farm	<u>\$1,170,385</u>	<u>\$1,166,914</u>	<u>(\$310)</u>	<u>\$1,166,604</u>
Total all funds	\$1,170,385	\$1,166,914	(\$310)	\$1,166,604
Less estimated income	<u>1,170,385</u>	<u>1,166,914</u>	<u>(310)</u>	<u>1,166,604</u>
General fund	\$0	\$0	\$0	\$0
FTE	2.87	2.87	0.00	2.87

Dept. 649 - Agronomy Seed Farm - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	TOTAL SENATE CHANGES
Agronomy Seed Farm	(\$310)	(\$310)
Total all funds	(\$310)	(\$310)
Less estimated income	(310)	(310)
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

REPORT OF STANDING COMMITTEE

HB 1497, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1497 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for state government performance measurement.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Government performance committee - Appointment - Acceptance of funds. An eight-member government performance committee is created. The legislative council, during each biennium, shall appoint four members of the legislative assembly to the committee. The governor, during each biennium, shall appoint four executive branch representatives to the committee. The governor shall designate one of the executive branch representatives as chairman of the committee. The committee may accept gifts, grants, or assistance to accomplish its purpose.

SECTION 2. Government performance committee - Powers and duties. The government performance committee may meet and conduct its business during the legislative session and in the interim between legislative sessions. The committee shall review program effectiveness by focusing on program impacts and results, service quality, and customer satisfaction. During each biennium, the committee shall select at least five agencies for review of each agency's strategic plan and performance measures.

SECTION 3. Performance reporting. Each agency selected for review by the government performance committee annually shall prepare and present a performance report to the government performance committee. The report must include an analysis of the agency's actual performance results. During each regular session of the legislative assembly, each selected agency shall present its most recent performance report to the appropriations committees of the legislative assembly."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

SB 2086, as reengrossed: Your conference committee (Sens. Fischer, Brown, Fairfield and Reps. Price, Kreidt, Potter) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1006 and place SB 2086 on the Seventh order.

Reengrossed SB 2086 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2160, as engrossed: Your conference committee (Sens. Fischer, Erbele, Fairfield and Reps. Porter, Potter, Sandvig) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 934-935, adopt amendments as follows, and place SB 2160 on the Seventh order:

That the House recede from its amendments as printed on pages 934 and 935 of the Senate Journal and pages 1003 and 1004 of the House Journal and that Engrossed Senate Bill No. 2160 be amended as follows:

Page 1, line 2, remove ", two new subsections to section 34-15-03,"

Page 1, line 6, after the second comma insert "and"

Page 1, line 7, remove ", and subsections 2 and 3 of section 34-15-01"

Page 1, line 9, replace "and" with "to provide for a report;" and after "date" insert "; and to provide an expiration date"

Page 5, line 13, replace "health" with ":

(1) Health"

Page 5, line 17, after the underscored semicolon insert "or

(2) A basic group health benefit plan approved under section 26.1-36.3-08;"

Page 10, line 11, replace "five hundred" with "one thousand"

Page 11, remove lines 24 through 31

Page 12, remove lines 1 through 22

Page 12, after line 31, insert:

"SECTION 13. DEPARTMENT OF HUMAN SERVICES - FUNDING FOR CHILD SUPPORT ENFORCEMENT SERVICES - REPORT TO FIFTY-NINTH LEGISLATIVE ASSEMBLY. The department of human services shall prepare and present a report to the appropriations committees of the fifty-ninth legislative assembly on the department's use of any funds appropriated to the department under section 12 of this Act during the biennium beginning July 1, 2003, and ending June 30, 2005."

Page 13, line 2, replace "the effective date of this Act" with "January 1, 2005"

Page 13, after line 2, insert:

"SECTION 15. EXPIRATION DATE. Section 12 of this Act is effective through June 30, 2005, and after that date is ineffective."

Renumber accordingly

Engrossed SB 2160 was placed on the Seventh order of business on the calendar.

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

WILLIAM R. HORTON, Secretary

