

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

SENATE BILL NO. 2020
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 4-05.1-05 and 4-08-10 of the North Dakota Century Code, relating to main research center experiment station and extension service position adjustments; to provide for a legislative management study; to provide for budget section reports; to provide for a report to the appropriations committees; to provide an exemption; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$52,517,908	(\$1,314,419)	\$51,203,489
Soil conservation committee	1,133,362	(41,842)	1,091,520
Total all funds	\$53,651,270	(\$1,356,261)	\$52,295,009
Less estimated income	<u>25,826,708</u>	<u>819,981</u>	<u>26,646,689</u>
Total general fund	\$27,824,562	(\$2,176,242)	\$25,648,320
Full-time equivalent positions	263.91	(10.93)	252.98

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northern crops institute	\$3,712,202	(\$69,481)	\$3,642,721
Total all funds	\$3,712,202	(\$69,481)	\$3,642,721
Less estimated income	<u>1,747,735</u>	<u>8,095</u>	<u>1,755,830</u>
Total general fund	\$1,964,467	(\$77,576)	\$1,886,891
Full-time equivalent positions	12.00	(0.20)	11.80

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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Upper great plains transportation institute	<u>\$22,076,448</u>	<u>\$283,794</u>	<u>\$22,360,242</u>
Total all funds	\$22,076,448	\$283,794	\$22,360,242
Less estimated income	<u>18,175,657</u>	<u>641,411</u>	<u>18,817,068</u>
Total general fund	\$3,900,791	(\$357,617)	\$3,543,174
Full-time equivalent positions	54.98	(11.10)	43.88

Subdivision 4.

MAIN RESEARCH CENTER

	Base Level	Adjustments or Enhancements	Appropriation
Main research center	<u>\$110,529,780</u>	<u>(\$1,887,537)</u>	<u>\$108,642,243</u>
Total all funds	\$110,529,780	(\$1,887,537)	\$108,642,243
Less estimated income	<u>56,948,525</u>	<u>2,136,303</u>	<u>59,084,828</u>
Total general fund	\$53,581,255	(\$4,023,840)	\$49,557,415
Full-time equivalent positions	353.85	(17.73)	336.12

Subdivision 5.

BRANCH RESEARCH CENTERS

	Base Level	Adjustments or Enhancements	Appropriation
Dickinson research extension center	\$6,996,678	(\$171,127)	\$6,825,551
Central grasslands research extension center	3,531,779	(108,155)	3,423,624
Hettinger research extension center	5,086,767	(111,634)	4,975,133
Langdon research extension center	3,045,836	(81,229)	2,964,607
North central research extension center	5,044,213	(90,561)	4,953,652
Williston research extension center	5,267,400	1,351,490	6,618,890
Carrington research extension center	<u>9,328,093</u>	<u>(152,602)</u>	<u>9,175,491</u>
Total all funds	\$38,300,766	\$636,182	\$38,936,948
Less estimated income	<u>19,817,130</u>	<u>1,964,561</u>	<u>21,781,691</u>
Total general fund	\$18,483,636	(\$1,328,379)	\$17,155,257
Full-time equivalent positions	113.94	(3.65)	110.29

Subdivision 6.

AGRONOMY SEED FARM

	Base Level	Adjustments or Enhancements	Appropriation
Agronomy seed farm	<u>\$1,521,007</u>	<u>\$15,122</u>	<u>\$1,536,129</u>
Total special funds	\$1,521,007	\$15,122	\$1,536,129
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$105,754,711	(\$7,963,654)	\$97,791,057
Grand total other funds	<u>124,036,762</u>	<u>5,585,473</u>	<u>129,622,235</u>
Grand total all funds	\$229,791,473	(\$2,378,181)	\$227,413,292

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$2,141,727, of which \$1,268,815 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Agronomy laboratories	\$150,000	\$0
Rural leadership project	141,252	0
Seed cleaning plants	4,408,224	1,500,000
Upper great plains transportation institute road study	628,823	0
Junior master gardener program	12,500	15,000
Veterinary diagnostic laboratory	18,000,000	0
Dust issues technical support	100,000	0
Land purchase - Langdon	350,000	0
Flooded lands study	67,952	0
Road and bridge asset management system	0	300,000
Total all funds	\$23,858,751	\$1,815,000
Total other funds	<u>21,325,000</u>	<u>1,700,000</u>
Total general fund	\$2,533,751	\$115,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The upper great plains transportation institute, main and branch research centers, and North Dakota state university extension service shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total other funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. AMENDMENT. Section 4-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

4-05.1-05. North Dakota state university main research center position adjustments - Budget section report.

The North Dakota state university main research center must be located on the campus of North Dakota state university of agriculture and applied science. The center is the administrative location of the agricultural experiment station. The center shall conduct research and coordinate all research activities of the agricultural experiment station. The research must have, as a purpose, the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment. Subject to the availability of funds, the station director may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the agricultural experiment station. Twelve-month employees whose employment is not limited in duration must accrue leave pursuant to provisions of section 54-06-14. All full or partial positions must be separate from North Dakota state university. Annually, the station director shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section. The center may conduct baseline research, including

production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops. The center may collect feral hemp seed stock and develop appropriate adapted strains of industrial hemp which contain less than three-tenths of one percent tetrahydrocannabinol in the dried flowering tops. The agriculture commissioner shall monitor the collection of feral hemp seed stock and industrial hemp strain development and shall certify appropriate stocks for licensed commercial cultivation.

SECTION 6. AMENDMENT. Section 4-08-10 of the North Dakota Century Code is amended and reenacted as follows:

4-08-10. Extension agent to submit monthly account of expenditures - Position adjustments - Budget section report.

The extension agent shall submit monthly an accurate itemized account of all expenditures incurred by the agent in the regular conduct of duties to the North Dakota state university extension service for examination and audit. When charges are made by an extension agent for money expended in the performance of official duties, all items of one dollar or more expended and charged for must be covered by a subvoucher or receipt that must be signed by the person to whom the money was paid. The subvoucher or receipt must show at what place, on what date, and for what the money expended was paid. The extension agent shall forward the subvouchers or receipts with the bill, claim, account, or demand against the county. When charges are made for transportation expenses, they may not exceed the amounts provided by section 11-10-15, and must be in itemized form showing the mileage traveled, the days when and how traveled, and the purpose thereof, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit the same and which may approve or disallow any expense item therein. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota state university extension service subject to the supervision of the state board of higher education. Funds appropriated to the North Dakota state university extension service may not be commingled with funds appropriated to North Dakota state university. An appropriation request to defray expenses of the North Dakota state university extension service must be separate from an appropriation request to defray expenses of North Dakota state university. Subject to the availability of funds, the director of the North Dakota state university extension service may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the extension service. Twelve-month employees whose employment is not limited in duration must accrue leave pursuant to provisions of section 54-06-14. All full- or part-time positions must be separate from North Dakota state university. Annually, the director of the North Dakota state university extension service shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section.

SECTION 7. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2017-19 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT. The Williston research extension center shall report to the appropriations committees of the sixty-sixth legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2015, and ending June 30, 2017, and the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 10. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The state board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

SECTION 11. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. The amounts appropriated for the veterinary diagnostic laboratory and the seed cleaning plants contained in subdivision 4 of section 1 of chapter 20 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 13. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - ROAD AND BRIDGE ASSET MANAGEMENT SYSTEM MATCHING FUNDS. Subdivision 3 of section 1 of this Act includes \$100,000 from the general fund for a road and bridge asset management system which may be spent only to the extent the upper great plains transportation institute provides two dollars of matching funds from nonstate sources for each one dollar provided from the general fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE SOIL CONSERVATION COMMITTEE. During the 2017-18 interim, the legislative management shall study the state soil conservation committee. The study must include a review of the duties, responsibilities, and related costs and efficiencies of the committee and related North Dakota state university extension service staff, the needs of the soil conservation districts, and the necessity to continue the state soil conservation committee. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 15. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION - NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE STUDY - BUDGET SECTION REPORT. During the 2017-18 interim, the state board of agricultural research and education, in consultation with the governor's office, shall study the duties and responsibilities of the North Dakota state university extension service. The study must include a review of the mission, existing programs, the efficiency and effectiveness of the delivery methods for existing programs, and potential program changes. The state board of agricultural research and education shall report its findings and recommendations to increase the efficiency and effectiveness of the North Dakota state university extension service to the budget section of the legislative management by March 31, 2018.

SECTION 16. EXPIRATION DATE. Sections 5 and 6 of this Act are effective through June 30, 2019, and after that date are ineffective.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2020.

Senate Vote: Yeas 43 Nays 3 Absent 1

House Vote: Yeas 58 Nays 32 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State