

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

LEGISLATIVE MANAGEMENT

Wednesday and Thursday, November 14-15, 2018
House Chamber, State Capitol
Bismarck, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Ray Holmberg, Joan Heckaman, Jerry Klein, Erin Oban, Donald Schaible, Ronald Sorvaag, Rich Wardner; Representatives Larry Bellew, Bill Devlin, Kathy Hogan, Mike Lefor, Scott Louser, Corey Mock, Jim Schmidt

Members absent: Senator Kelly M. Armstrong; Representatives Al Carlson, Jay Seibel

OPENING REMARKS

Chairman Holmberg recognized the members of the 65th Legislative Assembly who will not return to serve in the 66th Legislative Assembly and thanked them for their service. He also thanked those legislators who served as interim committee chairmen and legislators and the Legislative Council staff for their work during the interim.

Chairman Holmberg called on Mr. John Bjornson, Director, Legislative Council, who welcomed returning and new legislators. The director said reports from 25 committees will be presented. He said there were 146 committee meetings during the interim which was slightly higher than the number during the previous interim. He said the committees are recommending 34 bills and 2 resolutions.

BUDGET SECTION

Representative Larry Bellew, Chairman, Budget Section, presented the [Budget Section report](#). He said the Budget Section addressed 44 items and will address additional matters at its December 2018 meeting, including the 2019-21 biennium executive budget recommendations detail.

Representative Bellew said the Budget Section received reports from the Office of Management and Budget regarding the general fund, employee bonuses, irregularities in the fiscal practices of the state, tobacco settlement proceeds, federal grant applications, the voluntary separation incentive program, and State Board of Higher Education project variance reports.

Representative Bellew said the Budget Section received numerous other reports, including from:

- The Attorney General's office regarding expenditures for litigation related expenses from the Industrial Commission litigation fund;
- The Legacy and Budget Stabilization Fund Advisory Board regarding the development of investment policies for the legacy fund and budget stabilization fund;
- The Department of Commerce regarding annual audits of the centers of excellence and research excellence, renaissance fund organization annual audits, and a report on the department's reduction in force;
- The Main Research Center, branch research centers, Agronomy Seed Farm, North Dakota State University Extension Service, Northern Crops Institute, and Upper Great Plains Transportation Institute regarding full-time equivalent position adjustments; and
- The Cities of Williston, Dickinson, Minot, Mandan, Bismarck, Fargo, West Fargo, and Jamestown regarding the use of funding allocations from the oil and gas gross production tax.

Representative Bellew said the Budget Section considered the form of the State Water Commission budget documents and appropriations bill for presentation to the 2019 Legislative Assembly. He said the Budget Section also received a report from the director regarding the potential effect of the North Dakota Supreme Court decision in *North Dakota Legislative Assembly v. Burgum* on the duties of the Budget Section.

Representative Bellew said the Budget Section approved:

- A dome seat replacement project at Minot State University;
- A track repair project at Valley City State University;
- Requests from the Department of Trust Lands to approve the relinquishment of state agency rights to recover unclaimed property; and
- Agency requests for increased spending authority, line item transfers, and expenditures from the state disaster relief fund, which had received prior approval by the Emergency Commission.

It was moved by Representative Bellew, seconded by Senator Klein, and carried on a roll call vote that the report of the Budget Section be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

LEGISLATIVE REVENUE ADVISORY COMMITTEE

Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented the [committee report](#). He said the committee studied state revenues and state revenue forecasts. He said the committee received a report from IHS Markit regarding economic forecasting data. He said the committee also received information from state agencies and industry representatives regarding current economic conditions in the state.

It was moved by Senator Wardner, seconded by Senator Klein, and carried on a roll call vote that the report of the Legislative Revenue Advisory Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Senator Jerry Klein, Chairman, Legislative Audit and Fiscal Review Committee, presented the [committee report](#). He said the committee reviewed the state's financial transactions to ensure the collection of state revenues and the expenditures of state money were in compliance with the law, legislative intent, and sound financial practices. He said the committee reviewed 21 performance audit and evaluation reports and 122 financial or information technology audit reports. He said 27 audit reports were filed with the committee, but were not formally presented.

It was moved by Senator Klein, seconded by Senator Wardner, and carried on a roll call vote that the report of the Legislative Audit and Fiscal Review Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Senator Rich Wardner, Chairman, Energy Development and Transmission Committee, presented the [committee report](#). He said the committee studied the impact of a comprehensive energy policy, the oil and gas tax revenue allocations to hub cities, the taxation of wind energy, and the refracturing of existing oil wells. He said the committee received reports regarding the Energy Policy Commission's policy recommendations, the North Dakota Transmission Authority's activities, the North Dakota Pipeline Authority's activities, the carbon dioxide capture tax credit, brine pond remediation, oil and gas valuation, fracturing sand, rare earth elements, and biological remediation methods for oil spills.

It was moved by Senator Wardner, seconded by Representative Mock, and carried on a roll call vote that the report of the Energy Development and Transmission Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

HIGHER EDUCATION COMMITTEE

Representative Mark Sanford, Chairman, Higher Education Committee, presented the [committee report](#) and supplemental information ([Appendix A](#)). He said the committee studied issues affecting higher education, including the relationship between the University of North Dakota and the Energy and Environmental Research Center; and higher education finances and the overall financial stability of institutions under the control of the State Board of Higher Education. He said the committee received reports from the University of North Dakota School of Medicine and Health Sciences regarding the strategic plans, programs, and facilities of the School of Medicine and Health Sciences. In addition, he said, the committee received reports from tribally controlled community colleges receiving a grant under North Dakota Century Code Chapter 15-70 and from the State Board of Higher Education regarding

North Dakota academic and career and technical education scholarships; the use of extraordinary repairs funding and related matching funds; and employee position reductions.

It was moved by Representative Sanford, seconded by Senator Heckaman, and carried on a roll call vote that the report of the Higher Education Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, and Sorvaag and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

JUDICIARY COMMITTEE

Senator David Hogue, Chairman, Judiciary Committee, presented the [committee report](#). He said the committee studied the adoptive process and procedure, provisions of Century Code which relate to firearms and weapons, the impact of Marsy's Law on the statutorily provided rights of crime victims and those alleged to have committed crimes, and the various legal notice and publishing requirements of all state agencies and political subdivisions.

Senator Hogue said the committee received reports on the indigent defense contract system and established public defender offices, the operation of the North Dakota Racing Commission, the operation of the North Dakota Lottery, the State Hospital's program for the evaluation and treatment of sexually dangerous individuals, the status and results of the human trafficking victims treatment and support services grant program, the findings of the Task Force on the Prevention of Sexual Abuse of Children, the State Department of Health's findings and recommendations of the study on adding identified medical conditions to the definition of "debilitating medical condition", and the State Department of Health's implementation of medical marijuana.

In response to a question from Senator Sorvaag, Senator Hogue said the committee did not discuss the disproportionate financial burden on various political subdivisions relating to notice and publication requirements.

It was moved by Senator Schaible, seconded by Senator Klein, and carried on a roll call vote that the report of the Judiciary Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, and Sorvaag and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

JUSTICE REINVESTMENT COMMITTEE

Representative Lawrence R. Klemin, Member, Justice Reinvestment Committee, presented the [report](#) of the committee. He said the committee studied the juvenile justice process, the operation, management, conditions, standards and supervision of city, county, and regional correctional facilities and other potential means to improve the rehabilitative functions of correctional facilities and a possible transition of the supervision of correctional facilities from the Department of Corrections and Rehabilitation to the attorney general, and the behavioral health needs of individuals in the criminal justice system.

Representative Klemin said the committee received reports from the Department of Corrections and Rehabilitation and the Supreme Court regarding the process of the justice reinvestment initiative and from the Justice Reinvestment Oversight Committee on the implementation of justice reinvestment.

It was moved by Representative Mock, seconded by Senator Klein, and carried on a roll call vote that the report of the Justice Reinvestment Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, and Sorvaag and Representatives Bellew, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

INITIATED AND REFERRED MEASURES STUDY COMMISSION

Senator David Hogue, Member, Initiated and Referred Measures Study Commission, presented the [committee report](#). He said the commission studied the initiated and referred measure laws, procedures, and costs in North Dakota and other states; whether the Constitution of North Dakota or state laws should be amended; and the impact of out-of-state funding on the initiated and referred measure process in North Dakota. He said the commission heard testimony regarding the issues it studied and focused the majority of deliberations on drafting assistance for initiated measure sponsoring committees, public officials' approvals of petition titles and ballot language, fiscal impacts of initiated and referred measures, managing the number of measures placed on ballots, qualifications for petition circulators, thresholds for putting initiated measures on ballots, processes to verify petition signatures, and out-of-state funding of committees supporting ballot measures.

It was moved by Representative Devlin, seconded by Senator Heckaman, and carried on a roll call vote that the report of the Initiated and Referred Measures Study Commission be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

GOVERNMENT ADMINISTRATION COMMITTEE

Representative Scott Louser, Chairman, Government Administration Committee, presented the [committee report](#). He said the committee studied the statutory and regulatory requirements placed on North Dakota state government agencies by United States government agencies as a condition of the receipt of federal funding; the duties of the North Dakota Firefighter's Association; office space cost and value of properties owned by Job Service North Dakota; the state's emergency medical service system; the purpose and content of statements of interests; and moving local elections to the general election in November of even-numbered years. He said the committee also received a report from the governor regarding a study of the operations of the Department of Financial Institutions and the Securities Department to determine the feasibility and desirability of combining the agencies into a single department.

It was moved by Representative Louser, seconded by Senator Klein, and carried on a roll call vote that the report of the Government Administration Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

INFORMATION TECHNOLOGY COMMITTEE

Representative Corey Mock, Chairman, Information Technology Committee, presented the [committee report](#). He said the committee received reports from the chief information officer and representatives of the Information Technology Department (ITD) regarding the department's activities, including cloud computing, shared services unification, and cybersecurity; elementary and secondary information technology initiatives; health information technology activities; the statewide interoperable radio network; the electronic payment processing system; large information technology projects; and the prioritization of large software projects for the 2019-21 biennium. He said the committee received reports from representatives of the North Dakota University System regarding higher education information technology projects and services. He said the committee received reports from state agencies regarding a study of ITD services and rates.

It was moved by Representative Mock, seconded by Senator Klein, and carried on a roll call vote that the report of the Information Technology Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

TAXATION COMMITTEE

Senator Jessica Unruh, Chairman, Taxation Committee, presented the [committee report](#). She said the committee studied economic development tax incentives and received three reports from the Department of Commerce, including a report regarding renaissance zone progress, a report pertaining to cities that have renaissance zone property included in a tax increment financing district, and a report compiling and summarizing annual state grantor reports and reports of state agencies that awarded business incentives for the previous calendar year. She said the committee studied the property tax system, the duplicative application of property tax incentives, and how city growth and infill development affects property taxes. She said the committee studied the feasibility and desirability of providing an income tax credit to individuals for premiums paid for hybrid long-term care partnership plan insurance coverage. She said the committee also received a report from the tax commissioner regarding revenues received and expended by counties and school districts receiving oil and gas gross production tax revenues and a report from a representative of the Department of Human Services regarding the status of the state-paid economic assistance and social service pilot program and the development of a plan for permanent implementation.

It was moved by Senator Wardner, seconded by Senator Klein, and carried on a roll call vote that the report of the Taxation Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Schmidt, and Seibel voted "aye." No negative votes were cast.

TRIBAL TAXATION ISSUES COMMITTEE

Senator Dwight Cook, Member, Tribal Taxation Issues Committee, presented the [committee report](#). He said the committee studied tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. He said the committee also studied Indian education issues, including behavioral health concerns, K-12 funding, and tribal college workforce development

grants; tribal health and human services issues, including health care funding shortages, Medicaid reimbursement, child welfare, housing, and unemployment; infrastructure and law enforcement issues, including infrastructure needs and law enforcement cooperation and licensure; and additional issues affecting the tribes, including voter identification requirements, the use of unmanned aircraft systems, and signage marking tribal lands.

It was moved by Senator Wardner, seconded by Senator Klein, and carried on a roll call vote that the report of the Tribal Taxation Issues Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Schmidt, and Seibel voted "aye." No negative votes were cast.

HUMAN SERVICES COMMITTEE

Representative Kathy Hogan, Chairman, Human Services Committee, presented the [committee report](#). She said the committee studied the delivery of public human services, the refugee resettlement process, and the operations and management of the Tompkins Rehabilitation and Corrections Center. She said the committee received reports regarding the Autism Spectrum Disorder Task Force, the autism spectrum disorder program pilot project, Medicaid Expansion provider reimbursement rates, the children's health insurance program, the feasibility and desirability of establishing a Medicaid fraud control unit, and the outcome of a developmentally disabled Medicaid waiver study.

It was moved by Representative Hogan, seconded by Senator Klein, and carried on a roll call vote that the report of the Human Services Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

HEALTH SERVICES COMMITTEE

Senator Judy Lee, Chairman, Health Services Committee, presented the [committee report](#). She said the committee studied state and federal laws and regulations relating to the care and treatment of individuals with developmental disabilities or behavioral health needs and the state's early intervention system for children from birth to age 3 with developmental disabilities.

Senator Lee said the committee received reports from the State Department of Health regarding the comprehensive stroke system; the insurance commissioner regarding cost-benefit analyses for bills mandating health insurance coverage, the state fire marshal regarding ignition propensity standards for cigarettes; the State Department of Health, Department of Human Services, Indian Affairs Commission, and the Public Employees Retirement System regarding their collaboration on diabetes-related programs; the Department of Human Services regarding children's prevention and early intervention behavioral health services pilot project; the State Department of Health regarding a tobacco prevention and control plan; North Dakota Board of Social Work Examiners, Board of Addiction Counseling Examiners, Board of Counselor Examiners, Marriage and Family Therapy Licensure Board, and Board of Psychologist Examiners regarding behavioral health professional boards; and from the task force on children's behavioral health regarding its efforts and recommendations.

It was moved by Senator Wardner, seconded by Representative Lefor, and carried on a roll call vote to accept the report of the Health Services Committee. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Mock, and Schmidt voted "aye." No negative votes were cast.

HEALTH CARE REFORM REVIEW COMMITTEE

Representative George Keiser, Chairman, Health Care Reform Review Committee, presented the [committee report](#). He said the committee monitored and reviewed proposed federal changes to the federal Affordable Care Act; studied the public employee health insurance plan, including the feasibility and desirability of transitioning to a self-insurance plan; and studied options to operate the state medical assistance program and other related programs, as managed care.

It was moved by Senator Klein, seconded by Senator Schaible, and carried on a roll call vote that the report of the Health Care Reform Review Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Nelson, Lefor, Louser, and Schmidt voted "aye." No negative votes were cast.

WORKERS' COMPENSATION REVIEW COMMITTEE

Representative Dan Ruby, Vice Chairman, Workers' Compensation Review Committee, presented the [committee report](#). He said the committee reviewed claims of ten injured workers to determine whether changes should be made to the state's workers' compensation law. He said the committee received reports from Workforce

Safety and Insurance regarding compiled data relating to safety grants, and pilot programs to assess alternative methods of providing rehabilitation services. He said the committee selected one element for inclusion in the quadrennial performance evaluation, received the performance evaluation report and reviewed any actions taken resulting from the performance evaluation report.

It was moved by Senator Oban, seconded by Senator Klein, and carried on a roll call vote that the report of the Workers' Compensation Review Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Devlin, Hogan, Lefor, Louser, and Schmidt voted "aye." No negative votes were cast.

LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE

Senator Rich Wardner, Vice Chairman, Legislative Procedure and Arrangements Committee, presented the [committee report](#). He said the committee was responsible for making arrangements for the 2019 legislative session. He said the committee reviewed and approved a policy regarding workplace harassment, and committee members agreed the Legislative Assembly needs to send a strong message that workplace harassment will not be tolerated. He said the committee recommends changes in legislative compensation based on projected increases for state employees.

It was moved by Senator Wardner, seconded by Senator Klein, and carried on a roll call vote that the report of the Legislative Procedure and Arrangements Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, and Schmidt voted "aye." No negative votes were cast.

The committee recessed until Thursday, November 15, 2018, at 9:00 a.m.

ADMINISTRATIVE RULES COMMITTEE

Representative Bill Devlin, Chairman, Administrative Rules Committee, presented the [report](#) of the committee. He said the committee reviewed all state administrative rulemaking actions from January 2017 through October 2018, covering 4,047 pages of rules and 3,736 rules sections. He said both the number of sections reviewed and the number of pages of rules were substantially higher than the comparable amount from the previous biennial period, primarily due to extensive rules adopted to implement the newly created Department of Environmental Quality. He said the committee voided a rule adopted by the North Dakota Board of Medicine relating to telemedicine. He said the committee also studied the membership and state supervision of the state's occupational and professional licensing boards in order to retain antitrust law immunity.

It was moved by Representative Devlin, seconded by Senator Klein, and carried on a roll call vote that the report of the Administrative Rules Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, and Schmidt voted "aye." No negative votes were cast.

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Representative Mike Lefor, Chairman, Employee Benefits Programs Committee, presented the [committee report](#). He said the committee completed its statutory duties, including taking jurisdiction over proposed legislative measures affecting retirement, health insurance, and retiree health insurance programs of public employees. He said before introduction of a bill that impacts the retirement programs or health insurance plans and before a standing committee acts on an amendment that impacts the retirement programs or health insurance plans, the Employee Benefits Programs Committee must provide a report on the bill or amendment. He said the committee also reviewed the actuarial reports for the Public Employees Retirement System and for the Teachers' Fund for Retirement and received reports from Human Resource Management Services on bonuses to recruit or retain employees in hard-to-fill positions, service awards to employees in the classified service, employer-paid costs of training or educational courses to employees in the classified service, and payment of membership dues for professional organizations and membership dues for services clubs.

It was moved by Representative Lefor, seconded by Senator Wardner, and carried on a roll call vote that the report of the Employee Benefits Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

EDUCATION POLICY COMMITTEE

Senator Erin Oban, Chairman, Education Policy Committee, presented the [committee report](#). She said the committee studied the feasibility and desirability of combining services for any and all English language learner

programs, distance learning programs, regional education associations, teacher center networks, adult learning centers, career and technical education programs, education technology services, continuing education for counselors, educational leadership, and the teacher mentor program. She said the committee also studied entities that deliver K-12 professional development services, distance curriculum, support for schools in achieving school improvement goals, assistance with analysis and interpretation of student achievement data, and technology support services, including a focus on the funding, governance, nature, scope, and quality of services provided to schools. The study directive required a focus on the duplication of services across entities and the accountability for expenditures, as well as, identification of efficiencies and the feasibility and desirability of consolidating services. She said the committee also received numerous reports from the superintendent of public instruction and the Education Standards and Practices Board.

It was moved by Senator Oban, seconded by Senator Wardner, and carried on a roll call vote that the report of the Education Policy Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

EDUCATION FUNDING COMMITTEE

Senator Donald Schaible, Chairman, Education Funding Committee, presented the [committee report](#). He said the committee studied how state aid for elementary and secondary education is determined and distributed under the state aid funding formula; the impact of state aid provided through the funding formula; the portion of the elementary and secondary education funding formula which relates to the utilization of in lieu of property tax funds; and potential changes to the funding formula to ensure equity, adequacy, and sustainability. He said the committee also examined the delivery and administration of elementary and secondary education in the state and the short- and long-term policy and statutory changes that may result from or be necessitated by 21st century technological advances and global economics. He said the combined studies included a review of current state school aid funding levels and the status of state school aid, including the cost to continue state school aid in the 2019-21 biennium and the estimated cost of integrated formula per pupil payment rate increases; school district hold harmless calculations, including minimum and maximum adjustments; school district mill levy limitations; in lieu of property tax revenue and other local revenue formula deductions; rapid enrollment grants and the challenges and cost of transitioning to on-time funding based on fall enrollment; cross-border tuition and the education of students living in border states; adult learning center funding; and property tax relief and the integration of property tax relief into the state school aid formula.

Senator Schaible said the committee received required reports from the superintendent of public instruction regarding the financial condition of schools, school district employee compensation, and the use of teacher loan forgiveness funds provided for a teacher shortage loan forgiveness program. He said the committee also received reports from the Department of Public Instruction regarding elementary and secondary education administration in the state, the status of an innovative education program, the student contract system and the increasing cost and number of special education contracts; from the Department of Human Services regarding policy changes allowing expanded reimbursement for Medicaid-covered services provided by school districts; from the Governor's office regarding the governor's elementary and secondary education initiative; from the Indian Affairs Commission and the superintendent of public instruction regarding the elementary and secondary education funding system for Native American children and achievement challenges; from the Tax Department regarding property tax budget deadlines for school district preliminary budgets and budget adjustments; from the Education Commission of the States regarding a comparison of the state's elementary and secondary education funding and outcomes to the national average and bordering states.

It was moved by Senator Schaible, seconded by Senator Sorvaag, and carried on a roll call vote to accept the report of the Education Funding Committee. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

GOVERNMENT FINANCE COMMITTEE

Senator Ronald Sorvaag, Chairman, Government Finance Committee, presented the [committee report](#). He said the committee studied the volatility of state revenue sources, the delivery and cost of the Department of Transportation's State Fleet Services for state agencies, and the funding mechanisms and options available to Department of Transportation, political subdivisions, and public transportation providers, for road construction, maintenance, other transportation infrastructure needs, and transit services. He said the committee monitored the status of the general fund and other major funds and received updates on oil and gas development in the state.

It was moved by Senator Sorvaag, seconded by Representative Hogan, and carried on a roll call vote that the report of the Government Finance Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

WATER TOPICS OVERVIEW COMMITTEE

Representative Jim Schmidt, Chairman, Water Topics Overview Committee, presented the [report](#) of the committee. He said the committee studied industrial water use of the oil and gas industry, and issues related to the state's development of a statewide flood hazard risk management framework for assessing, managing, and reducing property-specific flood risk. He said the committee received two final study reports from the Industrial Commission regarding whether the Western Area Water Supply Authority should sell or lease its industrial water supply assets, and whether and how the state should regulate sediment studies and dredging operations from reservoir beds. He said the committee also received a report from the Bank of North Dakota regarding the Western Area Water Supply Authority's loans.

Representative Schmidt said the committee monitored the status of the Garrison Diversion Conservancy District and Red River Valley Water Supply Project, the Fargo flood control and FM Area Diversion Project, and the Souris River flood control project, and received reports and information on other flood control projects, water project funding and prioritization, regionalization of water supply projects, rural water supply issues, the Western Area Water Supply Authority, the Southwest Water Authority, the Northwest Area Water Supply Project, the process and timing of State Water Commission approvals of water projects, the need to manage water resources on a basinwide basis, and other water-related topics. He said the committee held two joint meetings with the State Water Commission and discussed continued collaboration between the two entities.

Senator Sorvaag said the difference in costs of the Fargo and Minot flood control projects may be attributable to the facts Fargo and Minot have different geographies, and Fargo has more homes to remove from its floodplain than Minot.

It was moved by Representative Schmidt, seconded by Senator Schaible, and carried on a roll call vote that the report of the Water Topics Overview Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

AGRICULTURE COMMITTEE

Senator Joan Heckaman, Vice Chairman, Agriculture Committee, presented the [committee report](#). She said the committee studied the practices and procedures with the potential to increase consistency and reduce variability in the sampling and testing of grains for deoxynivalenol (DON/vomitoxin), falling numbers, and protein. She said the committee studied the nutrient management plans developed by the State Department of Health. She said the committee studied the State Soil Conservation Committee, including 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. She said the committee also studied the desirability and feasibility of creating a state wetlands bank. She said the committee also received several reports.

It was moved by Senator Heckaman, seconded by Senator Wardner, and carried on a roll call vote that the report of the Agriculture Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, and Schmidt voted "aye." No negative votes were cast.

NATURAL RESOURCES COMMITTEE

Senator Larry Luick, Vice Chairman, Natural Resources Committee, presented the [committee report](#). He said the committee studied the impact of wind energy development on the environment and landowners, whether state and local level regulation of high-level radioactive waste disposal is consistent with applicable federal regulations, and the cooperation and communication between the Public Service Commission and political subdivisions in regard to ensuring local ordinances and zoning provisions are considered and addressed as part of the application and public hearing process. He said the committee received a report from the Energy and Environmental Research Center regarding the results and recommendations of the pipeline leak detection study.

It was moved by Senator Heckaman, seconded by Senator Oban, and carried on a roll call vote that the report of the Natural Resources Committee be accepted. Senators Holmberg, Heckaman, Klein, Oban, Schaible, Sorvaag, and Wardner and Representatives Bellew, Hogan, Lefor, Louser, Mock, and Schmidt voted "aye." No negative votes were cast.

No further business appearing, Chairman Holmberg adjourned the meeting at 11:21 a.m.

John Bjornson
Director

ATTACH:1