

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, April 26, 2017

The Senate convened at 9:00 a.m., with President Sanford presiding.

The prayer was offered by Senator Clemens, District 16.

The roll was called and all members were present.

A quorum was declared by the President.

MOTION

SEN. WARDNER MOVED that the Senate reconsider its action whereby Reengrossed HB 1015, as amended, passed, which motion prevailed on a verification vote.

CONSIDERATION OF AMENDMENTS

HB 1015, as reengrossed and amended: SEN. HOLMBERG (Appropriations Committee) MOVED that the amendments on SJ pages 1618-1625 be adopted and then be placed on the Fourteenth order with **DO PASS**.

MOTION

SEN. WARDNER MOVED that Reengrossed HB 1015, as amended, be amended as follows, which motion prevailed on a voice vote.

In lieu of the amendments adopted by the Senate as printed on pages 1618-1625 of the Senate Journal, Reengrossed House Bill No. 1015 is amended as follows:

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

Page 1, line 3, after "section" insert "6-09-15.1, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, and sections"

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

Page 1, line 4, after the first "to" insert "temporary loans to the general fund, criminal history record checks,"

Page 1, line 4, after "fees" insert ", and property tax increase reports; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications"

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

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

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

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$2,242,970	\$22,041,224
Operating expenses	13,855,260	213,178	14,068,438
Emergency commission contingency fund	500,000	(150,000)	350,000
Capital assets	200,000	1,573,477	1,773,477

Grants	555,000	(501,000)	54,000
Guardianship grants	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	(200,000)	1,400,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$38,037,114	\$4,178,625	\$42,215,739
Less estimated income	<u>7,210,390</u>	<u>4,023,697</u>	<u>11,234,087</u>
Total general fund	\$30,826,724	\$154,928	\$30,981,652
Full-time equivalent positions	122.50	(4.50)	118.00"

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

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

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

Page 2, replace lines 12 through 24 with:

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

Page 2, remove lines 29 and 30

Page 3, remove lines 1 and 2

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

Page 3, replace lines 15 through 17 with:

"SECTION 6. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, as contained in section 1 of chapter 49 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 8. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

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

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ~~ten~~ one hundred million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of

indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

SECTION 9. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, is created and enacted as follows:

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

SECTION 10. AMENDMENT. Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

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

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

Page 4, replace lines 3 through 15 with:

"SECTION 12. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall ~~make prepare~~ and transmit to the state tax commissioner, ~~in such form as the tax commissioner may prescribe,~~ a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes

levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.

4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 13. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 14. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - e. The majority leader of the house of representatives and the majority leader of the senate;
 - f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. As the agenda demands, the chairman of the committee shall invite the tribal chairman and other appropriate tribal members to actively participate in a committee meeting.
5. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 15. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE PROVIDERS. During the 2017-18 interim, the legislative management

shall consider studying the privacy policies of telecommunications service providers and internet service providers, and identifying potential issues for legislation. The study must include an evaluation of the process, procedure, and practice by telecommunications service providers and internet service providers in the collection of personal information from a customer resulting from the customer's use of the telecommunications service provider or internet service provider, and an evaluation of the sale, distribution, or use of the personal information collected by the telecommunications service provider or internet service provider. The study must include consideration of rules relating to the privacy rights of telecommunications and internet customers and the enforcement of any such rules by the public service commission. 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 16. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND REVENUE DISTRIBUTION. During the 2017-18 interim, the legislative management shall consider studying the taxation of wind energy and the distribution of tax collections related to wind energy. The study must include consideration of the various methods of taxing wind energy, the parity of wind energy taxation in comparison to the taxation of other energy sources, and the current and historical distribution formulas related to wind energy taxes; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 17. EFFECTIVE DATE. Section 9 of this Act is effective for property tax incentives approved after July 31, 2017."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$19,798,254	\$21,177,508	\$863,716	\$22,041,224
Operating expenses	13,855,260	12,909,988	1,158,450	14,068,438
Capital assets	200,000	973,477	800,000	1,773,477
Grants	555,000	54,000		54,000
Emergency commission contingency fund	500,000	350,000		350,000
Guardianship grants	1,328,600	1,328,600	200,000	1,528,600
Prairie public broadcasting	1,600,000	800,000	600,000	1,400,000
State student internship program	200,000			
Cybersecurity remediation pool		1,000,000		1,000,000
Total all funds	\$38,037,114	\$38,593,573	\$3,622,166	\$42,215,739
Less estimated income	7,210,390	10,438,477	795,610	11,234,087
General fund	\$30,826,724	\$28,155,096	\$2,826,556	\$30,981,652
FTE	122.50	115.00	3.00	118.00

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

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Grants ⁶
Salaries and wages	(\$24,676)	\$888,392				
Operating expenses			550,000	531,450	77,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						200,000

Prairie public broadcasting						600,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$888,392	\$550,000	\$531,450	\$77,000	\$800,000
FTE	0.00	3.00	0.00	0.00	0.00	0.00

	Adds Funding for Surplus Property Building ⁷	Total Senate Changes
Salaries and wages		\$863,716
Operating expenses		1,158,450
Capital assets	800,000	800,000
Grants		
Emergency commission contingency fund		
Guardianship grants		200,000
Prairie public broadcasting		600,000
State student internship program		
Cybersecurity remediation pool		
Total all funds	\$800,000	\$3,622,166
Less estimated income	800,000	795,610
General fund	\$0	\$2,826,556
FTE	0.00	3.00

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

² Funding for FTE positions and other salaries and wages changes are added as follows:

	General Fund	Other Funds	Total
Adds funding for an FTE position (unspecified)	\$70,000		\$70,000
Adds 1 FTE state architect position	232,709		232,709
Adds 1 FTE human resource officer position	174,380		174,380
Adds 1 FTE position (unspecified)	374,303		374,303
Reduces funding for salaries and wages	37,000		37,000
Total	\$888,392	\$0	\$888,392

³ Funding of \$550,000 is added for utility rate increases.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses.

⁵ Funding is added for revenue forecasting contract and travel expenses.

⁶ Funding of \$200,000 is added for guardianship grants to provide total funding of \$1,532,000, and funding of \$600,000 is added for Prairie Public Broadcasting to provide \$1,400,000.

⁷ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building.

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

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provide an emergency clause for this transfer.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium

appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000).

- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cash flow purposes, from \$10 million to \$100 million.
- Adds a section to create a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection.
- Adds a section to amend newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission.
- Adds a section to amend Section 57-20-04 relating to property tax increase reports by counties.
- Adds a section to repeal Section 57-20-05 relating to certification of taxes levied by taxing districts.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.
- Adds a section to create a Legislative Management committee to study tribal taxation issues.
- Adds a section to provide for a Legislative Management study regarding Internet service providers and the collection of personal information.
- Adds a section to provide for a Legislative Management study regarding taxation and distributions of tax collections related to wind energy.

MOTION

SEN. HOGUE MOVED that Reengrossed HB 1015, as amended, be amended as follows, which motion prevailed on a voice vote.

In addition to the amendments adopted by the Senate as printed on pages 1709-1715 of the Senate Journal, Reengrossed House Bill No. 1015 is further amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of the state auditor;"

Page 2, after line 28, insert:

"SECTION 4. APPROPRIATION - STATE AUDITOR. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

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

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

Renumber accordingly

The question being on the motion to adopt the amendments to Reengrossed HB 1015, as amended, the proposed amendments were adopted on a voice vote.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide for transfers; to provide an appropriation for defraying the expenses of the state auditor; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city; to amend and reenact section 6-09-15.1, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, and sections 54-06-04.3 and 57-20-04 of the North Dakota Century Code, relating to temporary loans to the general fund, criminal history record checks, state agency publication fees, and property tax increase reports; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to provide exemptions; to provide statements of legislative intent; to provide for a legislative management study; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management; to provide for a budget section report; 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: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed HB 1015, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. WARDNER MOVED that the conference committee report on Engrossed SB 2013 as printed on SJ pages 1661-1676 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2013: A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide an appropriation to the state treasurer; to provide for transfers; to provide for distributions from permanent funds; to create and enact a new section to chapter 57-51 of the North Dakota Century Code, relating to the energy impact fund; to amend and reenact subsection 5 of section 57-51-01 and sections 57-51-15 and 57-51.1-07.6 of the North Dakota Century Code, relating to oil and gas gross production tax definitions and allocations and the political subdivision allocation fund; to repeal section 57-51.1-07.6 of the North Dakota Century Code, relating to the political subdivision allocation fund; to provide exemptions; to provide for reports; to provide statements of legislative intent; to provide for a legislative management study; 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 42 YEAS, 5 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Davison; Dever; Dotzenrod; Erbele; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Cook; Grabinger; Heckaman; Marcellais; Mathern

Reengrossed SB 2013 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Engrossed SB 2014 as printed on SJ pages 1684-1692 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2014: A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to provide a continuing appropriation; to provide a contingent appropriation; to provide for transfers; to amend and reenact sections 15-62.1-07, 28-25-11, 54-17-40, 54-18-19, and 57-62-02 of the North Dakota Century Code and section 26 of chapter 14 of the 2015 Session Laws, relating to loan guarantee fees, suspension of recreational licenses, the housing incentive fund, North Dakota mill and elevator profits, coal development trust fund allocations, and a financial center project; to repeal section 54-17-41 of the North Dakota Century Code, relating to housing incentive fund reports; to provide statements of legislative intent; to provide for reports; to provide exemptions; to provide an expiration date; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2014 passed and the emergency clause was declared carried.

MOTION

SEN. KLEIN MOVED that Sen. Oehlke replace Sen. Hogue on the Conference Committee on HB 1023, which motion prevailed on a voice vote.

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

MR. PRESIDENT: The Speaker has appointed Rep. Vigasaa to replace Rep. Kempenich on the Conference Committee on HB 1001.

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

MR. SPEAKER: The President has appointed Sen. Oehlke to replace Sen. Hogue on the Conference Committee on HB 1023.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2013.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2014.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2001, SB 2016, SB 2119.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 26, 2017: SB 2009.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 25, 2017, I have signed the following: SB 2021 and SB 2042.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 11:30 a.m., which motion prevailed.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. G. LEE MOVED that the conference committee report on Engrossed HB 1020 as printed on SJ pages 1692-1705 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide an appropriation to the industrial commission; to amend and reenact section 57-51.1-07, subsection 10 of section 61-02-02, section 61-02-08, subsection 1 of section 61-02-78, section 61-02-79, the new section to chapter 61-03, as created by section 12 of House Bill No. 1374, as approved by the sixty-fifth legislative assembly, and sections 61-29-06, 61-40-05, and 61-40-11 of the North Dakota Century Code, relating to the oil extraction tax development fund, the definition of water conveyance project, the state water commission chairman and vice chairman, the infrastructure revolving loan fund, a Bank of North Dakota line of credit, economic analyses for certain water projects, management of the Little Missouri scenic river, the authority of the western area water supply authority, and water rates of the western area water supply authority; to provide for budget section approval; to provide for a state engineer study; to provide for an industrial commission study; to provide for a legislative management study; to provide for reports; to provide a statement of legislative intent; to designate funding; to provide for a transfer; to provide exemptions; to provide a contingent effective date; to provide an effective date; to provide an expiration date; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1020, as amended, passed and the emergency clause was declared carried.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1152.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2013.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1024.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2014.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1003.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1003.

REPORT OF CONFERENCE COMMITTEE

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

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

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

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

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

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

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

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

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

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

Page 1, remove lines 15 through 24

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 30

Page 4, remove lines 1 through 30

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 30

Page 7, replace lines 1 through 5 with:

"Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

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

Subdivision 2.

BISMARCK STATE COLLEGE

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

Subdivision 3.

LAKE REGION STATE COLLEGE

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

Subdivision 4.

WILLISTON STATE COLLEGE

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

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

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

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

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

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

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

Subdivision 8.

DICKINSON STATE UNIVERSITY

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

Subdivision 9.

MAYVILLE STATE UNIVERSITY

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

Subdivision 10.

MINOT STATE UNIVERSITY

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

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

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

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

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

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

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

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

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

Subdivision 15.

BILL TOTAL

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

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

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

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

Page 7, replace line 10 with:

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

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

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

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

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

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

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

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

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

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

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

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

Capital project and capital lease requests - Maintenance reserve account.

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

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

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

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

Nickel trophy.

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

Page 8, after line 1 insert "1."

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

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

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

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

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

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

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

Page 8, after line 11, insert:

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

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

15-18.2-06. (Effective through June 30, 2017-2019) Base funding - Minimum amount payable.

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

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

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

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

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

Law enforcement officer tuition and fees waiver.

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

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

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

Page 10, after line 1, insert:

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

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

Page 10, after line 29, insert:

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

SECTION 18. DICKINSON STATE UNIVERSITY - USES OF FUNDS.

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

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

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

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

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

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

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

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

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

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

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

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

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

Page 12, after line 10, insert:

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

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

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

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

Page 12, remove lines 26 through 31

Page 13, remove lines 1 through 4

Page 13, line 5, remove "4."

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

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

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

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

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

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

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

Page 13, after line 26, insert:

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

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

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

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

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

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

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

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

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

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

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

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

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

Page 13, line 31, remove "the inconsistencies"

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

3."

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

Page 14, after line 15, insert:

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

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

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

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of Conference Committee Action

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

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

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

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

Detail of Conference Committee changes to the General Fund

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

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

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

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

Detail of Conference Committee changes to Other Funds

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

	Adjusts Funding for Forest Service ⁷	Total Other Funds Changes
University System Office		(\$9,018)
Bismarck State College		(50,559)
Lake Region State College		(17,505)
Williston State College		(10,739)
University of North Dakota		(406,573)
UND Medical Center		(893,144)
North Dakota State University		27,698,590
State College of Science		(36,856)
Dickinson State University		(13,155)
Mayville State University		(32,058)
Minot State University		(54,235)

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

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

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

Detail of Conference Committee changes to All Funds

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

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

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

System Governance

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

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

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

Core Technology Services

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

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

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

Funding for tribal college assistance grants is adjusted as follows:

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

Other adjustments include:

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

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

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

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

The following schedule details general fund changes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This amendment also:

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

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

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

REPORT OF CONFERENCE COMMITTEE

HB 1024, as engrossed: Your conference committee (Sens. Dever, G. Lee, Robinson and Reps. Delzer, Kreidt, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1581-1591, adopt amendments as follows, and place HB 1024 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1581-1591 of the House Journal and pages 1296-1306 of the Senate Journal and that Engrossed House Bill No. 1024 be amended as follows:

Page 1, line 1, replace "an appropriation" with "appropriations"

Page 1, line 2, after the first semicolon insert "to provide a contingent appropriation; to amend and reenact section 4 of chapter 552 of the 2015 Session Laws, relating to Bank of North Dakota transfers to the state general fund;"

Page 1, line 2, after the second semicolon insert "to provide for transfers; to provide statements of legislative intent;"

Page 1, line 4, after "**APPROPRIATION**" insert "**- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - 2015-17 BIENNIUM**"

Page 1, after line 10, insert:

"STATE TREASURER

Property tax relief credits	<u>\$8,100,000</u>
Total special funds	\$8,100,000

Subdivision 2.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$189,000</u>
Total special funds	\$189,000

Subdivision 3."

Page 1, line 14, replace "2." with "4."

Page 1, replace lines 16 and 17 with:

"Grants - Medical assistance	<u>\$9,000,000</u>
Total special funds	\$9,000,000"

Page 1, line 18, replace "3." with "5."

Page 1, after line 21 insert:

"Subdivision 6.

STATE HISTORICAL SOCIETY

Litigation expenses	<u>\$50,000</u>
Total special funds	\$50,000"

Page 1, replace line 23 with:

"Grand total special funds	\$17,668,500"
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Page 2, replace lines 1 through 25 with:

"SECTION 2. APPROPRIATION - SPECIAL FUNDS FROM ADJUTANT GENERAL LOAN PROCEEDS - THROUGH JUNE 30, 2019. There is appropriated from special funds received from the adjutant general, the sums as hereinafter provided, or so much of the sums as may be necessary, to the agencies listed below for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019.

Subdivision 1.

ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 2.

JUDICIAL BRANCH

Pipeline protest trials	<u>\$1,500,000</u>
Total special funds	\$1,500,000

Subdivision 3.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Pipeline protest trials	<u>\$1,027,000</u>
Total special funds	\$1,027,000

Subdivision 4.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	\$1,420,000

Subdivision 5.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	\$3,234,000

Subdivision 6.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	\$500,000

Subdivision 7.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	\$423,724

Subdivision 8.

PARKS AND RECREATION DEPARTMENT

Natural resources	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 9.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	\$709,000

SECTION 2 TOTAL

Grand total special funds	\$9,213,724
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SECTION 3. BORROWING AUTHORITY - APPROPRIATION - THROUGH JUNE 30, 2019 - ADJUTANT GENERAL - DEPARTMENT OF EMERGENCY SERVICES FUNDING REQUEST. The office of the adjutant general may borrow the sum of \$10,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs that were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The department of emergency services shall include any amounts borrowed under this section in the request for reimbursement from the federal government related to the state's expenses incurred due to unlawful activity associated with the construction of the Dakota access pipeline.

SECTION 4. CONTINGENT APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,872,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing any court-ordered payments to a bankruptcy estate or payments to be made pursuant to the terms of a settlement agreement

approved by order of the court, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota* or pursuant to the terms of a settlement agreement approved by order of the court. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND - 2015-17 BIENNIUM. The office of management and budget shall transfer the sum of \$155,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 6. LINE ITEM TRANSFERS - ATTORNEY GENERAL - 2015-17 BIENNIUM.

1. The attorney general may transfer \$75,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the litigation fees line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.
2. The attorney general may transfer \$5,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the arrest and return of fugitives line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 7. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the department of emergency services seek reimbursement from the federal government for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-fifth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly, including loans of \$17,000,000 previously authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in section 3 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the legislative assembly that provisions of section 54-16-13 apply to the loans, except that emergency commission approval does not apply.

SECTION 8. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that:

1. The department of emergency services and the governor accept reimbursement in the form of land, cash, or other assets from nonstate sources for state costs incurred relating to unlawful activity associated with the construction of the Dakota access pipeline.
2. Any reimbursements received be used to repay the Bank of North Dakota loans authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in section 3 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline.
3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans.

SECTION 9. AMENDMENT. Section 4 of chapter 552 of the 2015 Session Laws is amended and reenacted as follows:

SECTION 4. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. ~~If, during~~ During the period beginning with the effective date of this Act and ending June 30, 2017, the director of the office of management and budget determines the state general fund will not have a projected positive June 30, 2017, balance, the industrial commission shall transfer \$100,000,000, ~~or so much of the sum as may be necessary,~~ from the earnings and accumulated and undivided profits of the Bank of North Dakota to the state general fund. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. ~~The sum of the amounts transferred may not exceed the lesser of \$100,000,000 or the amount necessary to provide for a positive June 30, 2017, general fund balance."~~

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
State Treasurer						
Total all funds	\$0	\$0	\$0	\$0	\$15,200,000	(\$15,200,000)
Less estimated income	0	0	0	0	15,200,000	(15,200,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Attorney General						
Total all funds	\$0	\$0	\$16,072,000	\$16,072,000	\$200,000	\$15,872,000
Less estimated income	0	0	16,072,000	16,072,000	200,000	15,872,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Judicial Branch						
Total all funds	\$0	\$1,500,000	\$0	\$1,500,000	\$1,500,000	\$0
Less estimated income	0	1,500,000	0	1,500,000	1,500,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Commission on Legal Counsel for Indigent						
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000	\$1,027,000	\$0
Less estimated income	0	859,000	168,000	1,027,000	1,027,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
State Department of Health						
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000	\$1,420,000	\$0
Less estimated income	0	0	1,420,000	1,420,000	1,420,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Highway Patrol						
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000	\$3,234,000	\$0
Less estimated income	0	0	3,234,000	3,234,000	3,234,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Corrections and Rehab.						
Total all funds	\$0	\$0	\$500,000	\$500,000	\$500,000	\$0
Less estimated income	0	0	500,000	500,000	500,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Adjutant General						
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000	\$15,000,000	(\$5,000,000)
Less estimated income	0	0	10,000,000	10,000,000	15,000,000	(5,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
State Historical Society						
Total all funds	\$0	\$0	\$0	\$0	\$294,500	(\$294,500)
Less estimated income	0	0	0	0	294,500	(294,500)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Game and Fish Department						
Total all funds	\$0	\$0	\$423,724	\$423,724	\$423,724	\$0
Less estimated income	0	0	423,724	423,724	423,724	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Parks and Recreation Department						

Total all funds	\$0	\$0	\$200,000	\$200,000	\$200,000	\$0
Less estimated income	0	0	200,000	200,000	200,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Transportation						
Total all funds	\$0	\$0	\$709,000	\$709,000	\$709,000	\$0
Less estimated income	0	0	709,000	709,000	709,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$0	\$2,359,000	\$32,726,724	\$35,085,724	\$39,708,224	(\$4,622,500)
Less estimated income	0	2,359,000	32,726,724	35,085,724	39,708,224	(4,622,500)
General fund	\$0	\$0	\$0	\$0	\$0	\$0

House Bill No. 1024 - Attorney General - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages			\$200,000	\$200,000	\$200,000	
Settlement Payment			15,872,000	15,872,000		15,872,000
Total all funds	\$0	\$0	\$16,072,000	\$16,072,000	\$200,000	\$15,872,000
Less estimated income	0	0	16,072,000	16,072,000	200,000	15,872,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 125 - Attorney General - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Provides Contingent Funding for Settlement Payment ²	Total Conference Committee Changes
Salaries and wages	\$200,000		\$200,000
Settlement Payment		15,872,000	15,872,000
Total all funds	\$200,000	\$15,872,000	\$16,072,000
Less estimated income	200,000	15,872,000	16,072,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

² Contingent funding of \$15,872,000 from the strategic investment and improvements fund is added for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of PW Enterprises, Inc. v. State of North Dakota. The Senate appropriated \$15.2 million to the State Treasurer.

House Bill No. 1024 - Commission on Legal Counsel for Indigent - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Pipeline protest trials		\$859,000	\$168,000	\$1,027,000	\$1,027,000	
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000	\$1,027,000	\$0
Less estimated income	0	859,000	168,000	1,027,000	1,027,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 188 - Commission on Legal Counsel for Indigent - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Trials ¹	Total Conference Committee Changes
Pipeline protest trials	\$168,000	\$168,000
Total all funds	\$168,000	\$168,000
Less estimated income	168,000	168,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding is increased by \$168,000, from \$859,000 to \$1,027,000, for additional costs related to pipeline protest trials, the same as the Senate, except that the commission will access the loan proceeds through the Adjutant General rather than directly from a Bank of North Dakota loan.

House Bill No. 1024 - State Department of Health - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Operating expenses			\$1,420,000	\$1,420,000	\$1,420,000	
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000	\$1,420,000	\$0
Less estimated income	0	0	1,420,000	1,420,000	1,420,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 301 - State Department of Health - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Operating expenses	\$1,420,000	\$1,420,000
Total all funds	\$1,420,000	\$1,420,000
Less estimated income	1,420,000	1,420,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,420,000 is added from special funds received for the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

House Bill No. 1024 - Highway Patrol - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Field operations			\$3,234,000	\$3,234,000	\$3,234,000	
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000	\$3,234,000	\$0
Less estimated income	0	0	3,234,000	3,234,000	3,234,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Field operations	\$3,234,000	\$3,234,000
Total all funds	\$3,234,000	\$3,234,000
Less estimated income	3,234,000	3,234,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$3,234,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

House Bill No. 1024 - Department of Corrections and Rehab. - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Adult services			\$500,000	\$500,000	\$500,000	
Total all funds	\$0	\$0	\$500,000	\$500,000	\$500,000	\$0
Less estimated income	0	0	500,000	500,000	500,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 530 - Department of Corrections and Rehab. - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Adult services	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	500,000	500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$500,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

House Bill No. 1024 - Adjutant General - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Pipeline protest costs			\$10,000,000	\$10,000,000		\$10,000,000
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000	\$0	\$10,000,000
Less estimated income	0	0	10,000,000	10,000,000	15,000,000	(5,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 540 - Adjutant General - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Pipeline protest costs	\$10,000,000	\$10,000,000
Total all funds	\$10,000,000	\$10,000,000
Less estimated income	10,000,000	10,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$10 million is added from the proceeds of a loan for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline. The Senate provided \$15 million.

House Bill No. 1024 - Game and Fish Department - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages			\$221,795	\$221,795	\$221,795	
Operating expenses			201,929	201,929	201,929	
Total all funds	\$0	\$0	\$423,724	\$423,724	\$423,724	\$0
Less estimated income	0	0	423,724	423,724	423,724	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 720 - Game and Fish Department - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Salaries and wages	\$221,795	\$221,795
Operating expenses	201,929	201,929
Total all funds	\$423,724	\$423,724
Less estimated income	423,724	423,724
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$423,724 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

House Bill No. 1024 - Parks and Recreation Department - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Natural resources			\$200,000	\$200,000	\$200,000	
Total all funds	\$0	\$0	\$200,000	\$200,000	\$200,000	\$0
Less estimated income	0	0	200,000	200,000	200,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 750 - Parks and Recreation Department - Detail of Conference

Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Natural resources	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

House Bill No. 1024 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages			\$287,000	\$287,000	\$287,000	
Operating expenses			422,000	422,000	422,000	
Total all funds	\$0	\$0	\$709,000	\$709,000	\$709,000	\$0
Less estimated income	0	0	709,000	709,000	709,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Conference Committee Changes
Salaries and wages	\$287,000	\$287,000
Operating expenses	422,000	422,000
Total all funds	\$709,000	\$709,000
Less estimated income	709,000	709,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$709,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline, the same as the Senate.

House Bill No. 1024 - Other Changes - Conference Committee Action

This amendment provides for the following changes to agency deficiency appropriations from the strategic investment and improvements fund:

- Appropriates \$8.1 million to the State Treasurer for property tax relief credit payments. Neither the House nor the Senate included this funding.
- Appropriates \$189,000 to the Commission on Legal Counsel for Indigents related to costs associated with Section 25 of Article I of the Constitution of North Dakota relating to victims' rights (Marsy's Law), the same as the Senate.
- Increases the appropriation to the Department of Human Services for Medicaid grants by \$4 million, from \$5 million to \$9 million. The Senate also provided this

funding increase.

- Appropriates \$50,000 to the State Historical Society for litigation expenses. The Senate provided \$294,500 to be available through June 30, 2019.

This amendment also:

- Removes two sections added by the Senate to provide borrowing authority to the judicial branch (\$1,500,000) and the Commission on Legal Counsel for Indigents (\$1,027,000). These agencies may access loan proceeds for these costs through the Adjutant General's loan authorization.
- Adds a section to provide appropriations to various state agencies from special funds the agency received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline. The Senate added a similar section.
- Adds a section to provide \$10 million of borrowing authority and the related appropriation authority through June 30, 2019, to the Adjutant General for expenses related to unlawful activity associated with the construction of the Dakota Access Pipeline, including for costs incurred by the judicial branch and Commission on Legal Counsel for Indigents. The Senate added this section to provide \$15 million of borrowing authority.
- Adds a section to provide contingent funding of \$15,872,000 from the strategic investment and improvements fund for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota*. The Senate appropriated \$15.2 million to the State Treasurer.
- Provides for a transfer of \$155 million from the strategic investment and improvements fund to the general fund prior to the end of the 2015-17 biennium, resulting in an increase in the July 1, 2017, estimated beginning balance of the general fund. The Senate also added this section.
- Adds a section authorizing the Attorney General to transfer funds between certain line items during the 2015-17 biennium. The Senate also added this section.
- Adds a section to provide legislative intent related to repayment sources for loans obtained to provide the necessary funding to respond to the unlawful activity associated with the construction of the Dakota Access Pipeline. The Senate added a section with similar language.
- Adds a section to provide legislative intent that the Department of Emergency Services and the Governor accept reimbursement from nonstate sources for state costs relating to the Dakota Access Pipeline protests.
- Amends Section 4 of Chapter 552 of the 2016 Special Session Session Laws relating to 2015-17 biennium transfers from the profits of the Bank of North Dakota to the general fund. Neither the House nor the Senate made this change.

Engrossed HB 1024 was placed on the Seventh order of business on the calendar.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 3:00 p.m., which motion prevailed.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

SECOND READING OF SENATE BILL

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

15-18.2-05, 15-18.2-06, 54-10-22.1, and 54-44.1-11 of the North Dakota Century Code, relating to matching grants for institutions under the control of the state board of higher education, state aid to institutions, the minimum amount payable through the higher education funding formula, protecting donor records from audits of university and college foundations and the cancellation of unexpended appropriations; to repeal chapter 15-10.2 of the North Dakota Century Code, relating to the midwestern higher education compact; to provide for the transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide exemptions; to provide for the reallocation of oil and gas tax distributions; to authorize the conveyance of real property owned by the state of North Dakota; to provide for studies; to provide for legislative management reports; to provide legislative intent; to provide an effective date; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Cook; Larsen, O.

Reengrossed SB 2003 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DEVER MOVED that the conference committee report on Engrossed HB 1024 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1024: A BILL for an Act to provide appropriations for defraying the expenses of various state departments and institutions; to provide a contingent appropriation; to amend and reenact section 4 of chapter 552 of the 2015 Session Laws, relating to Bank of North Dakota transfers to the state general fund; to provide for borrowing authority; to provide for transfers; to provide statements of legislative intent; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Unruh; Vedaa; Wanzek; Wardner

NAYS: Casper; Sorvaag

Engrossed HB 1024, as amended, passed and the emergency clause was declared carried.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1015.

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

passed, and the emergency clause carried: HB 1024.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2001, SB 2016, SB 2119.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2013, SB 2014.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1020, HB 1152.

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

MR. PRESIDENT: The Speaker has signed: SB 2001, SB 2016, SB 2119.

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

MR. PRESIDENT: The Speaker has signed: SB 2013, SB 2014.

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

MR. PRESIDENT: The Speaker has signed: HCR 3037.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 26, 2017, I have signed the following: SB 2004, SB 2009, SB 2019, SB 2020, and SB 2206.

REPORT OF CONFERENCE COMMITTEE

SB 2018, as engrossed: Your conference committee (Sens. Holmberg, Oehlke, Robinson and Reps. Streytle, Martinson, Schatz) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1263-1266, adopt amendments as follows, and place SB 2018 on the Seventh order:

That the House recede from its amendments as printed on pages 1263-1266 of the Senate Journal and pages 1407-1411 of the House Journal and that Engrossed Senate Bill No. 2018 be amended as follows:

Page 1, line 2, after the third semicolon insert "to provide for a report;"

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$13,015,999	(\$20,211)	\$12,995,788
Operating expenses	16,384,623	(907,001)	15,477,622
Grants	48,134,795	6,375,621	54,510,416
Discretionary funds	784,152	1,415,848	2,200,000
Flood impact grants/loans	0	5,201,752	5,201,752
Agricultural products utilization commission	3,118,611	34,304	3,152,915
North Dakota trade office	2,556,694	(556,694)	2,000,000
Partner programs	2,173,829	(233,984)	1,939,845
Entrepreneurship grants and vouchers	<u>1,500,000</u>	<u>750,000</u>	<u>2,250,000</u>
Total all funds	\$87,668,703	\$12,059,635	\$99,728,338
Less estimated income	<u>53,809,604</u>	<u>14,576,054</u>	<u>68,385,658</u>
Total general fund	\$33,859,099	(\$2,516,419)	\$31,342,680"

Page 1, after line 23, insert:

"SECTION 2. HEALTH INSURANCE INCREASE. The salaries line item in section 1 of this Act includes the sum of \$172,554, of which \$135,102 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 2, replace line 6 with:

"Flood impact grants/loans	12,859,869	5,201,752"
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Page 2, replace line 9 with:

"Base retention grants	1,500,000	600,000"
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Page 2, replace lines 20 through 22 with:

"Total all funds	\$40,023,129	\$10,801,752
Less estimated income	<u>21,359,869</u>	<u>9,801,752</u>
Total general fund	\$18,663,260	\$1,000,000"

Page 3, line 5, replace "The" with "Of the"

Page 3, line 6, after "Laws" insert "up to \$1,000,000"

Page 3, line 7, remove "any"

Page 3, line 7, replace "program" with "amount"

Page 3, line 7, after "available" insert "and may be spent"

Page 3, remove lines 9 through 12

Page 3, line 14, replace "\$1,275,000" with "\$950,000"

Page 3, line 19, replace "\$1,000,000" with "\$600,000"

Page 3, line 22, after the period insert "The department may award grants of \$200,000 to each community with an air force base or air national guard facilities."

Page 3, line 27, after the period insert "The department of commerce shall consult with the aeronautics commission regarding test site operational costs and support services and best practices related to the unmanned aircraft systems test site."

Page 3, line 30, after "\$3,000,000" insert ", of which \$1,000,000 is from the general fund and \$2,000,000 is"

Page 3, line 31, remove "for the operations of the"

Page 4, line 1, remove "unmanned aircraft systems test site"

Page 4, line 8, remove "total"

Page 4, line 10, replace "\$2,281,498" with "\$2,000,000"

Page 4, line 11, replace "seventy" with "sixty"

Page 4, line 18, after "**PROGRAM**" insert "**- EXEMPTION**"

Page 4, line 19, replace "\$1,500,000" with "\$2,250,000"

Page 4, line 19, replace "\$1,350,000" with "\$600,000"

Page 4, line 20, replace "\$150,000" with "\$1,650,000 is"

Page 4, line 22, after the period insert "Of the amount appropriated, \$900,000 is to be distributed equally to entrepreneurial centers located in Bismarck, Fargo, and Grand Forks, \$300,000 to an organization that provides workplace safety, and \$300,000 for biotechnology grants."

Page 4, after line 28, insert:

"SECTION 13. ENERGY AND ENVIRONMENTAL RESEARCH CENTER GRANT - MATCHING REQUIREMENT. The grants line item in section 1 of this Act includes \$500,000 from the research North Dakota fund which the department of commerce shall provide as a grant to the energy and environmental research center at the university of North Dakota. The grant must be utilized for economic development and diversification of the North Dakota economy and may be provided only to the extent the energy and environmental research center provides one dollar of matching funds from private or other public sources for each one dollar provided

	Adjusts Funding for Entrepreneurship Grants ⁷	Transfers One- Time Funding for Flood Impact Grants ⁸	Reduces One- Time Funding for Base Retention Grants ⁹	Adjusts One- Time Funding for Enhanced Use Lease Grants ¹⁰	Total Conference Committee Changes
Salaries and wages					(\$13,063)
Operating expenses					490,000
Grants		(5,201,752)	(400,000)		(5,916,796)
Discretionary funds					1,385,160
Ag. Products Utilization Commission					(415)
North Dakota Trade Office					(281,498)
Entrepreneurship grants and vouchers	750,000				750,000
Partner programs					
Flood impact grants/loans		5,201,752			5,201,752
Total all funds	\$750,000	\$0	(\$400,000)	\$0	\$1,615,140
Less estimated income	1,500,000	0	(400,000)	(1,000,000)	2,097,075
General fund	(\$750,000)	\$0	\$0	\$1,000,000	(\$481,935)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is added to reflect the revised premium rate, the same as the House.

² Funding of \$629,970 from the general fund is removed for the grant programs listed below and \$385,160 from the general fund is added to the discretionary funds line item.

- Area health education centers grants - (\$200,000)
- Continuum of care grants - (\$75,301)
- Emergency solutions grants - (\$244,669)
- Self sufficiency grants - (\$110,000)

The House approved a reduction of \$929,970 from the general fund for the grant programs above, including a reduction of \$300,000 for homeless shelter grants, and an increase of \$685,160 from the general fund to the discretionary funds line item. The conference committee approved \$300,000 for homeless shelter grants in the grants line item, the same as the Senate version.

In addition, the conference committee approved a \$1,500,000 appropriation from the Research North Dakota fund to the Department of Commerce, of which \$1,000,000 is added to the discretionary funds line item and \$500,000 is for providing a grant to the Energy and Environmental Research Center at the University of North Dakota. The grant must be utilized for economic development and diversification of the North Dakota economy and may be spent only to the extent the Energy and Environmental Research Center provides \$1 of matching funds from other sources for each \$1 provided by the department. These items are also reflected in Sections 13 and 14 of the bill.

The conference committee actions result in a net decrease of \$129,970 in the grants line item, of which \$629,970 is removed from the general fund and \$500,000 is added from the Research North Dakota fund. The result in the discretionary funds line item is an increase of \$1,385,160, of which \$385,160 is from the general fund and \$1,000,000 is from the Research North Dakota fund.

³ Funding of \$815,000 is added for North Dakota tourism, of which \$315,000 is from the general fund and \$500,000 is from the Research North Dakota fund, the same as the House version. Section 14 of the bill also identifies the \$500,000 appropriation from the Research North Dakota fund.

⁴ Funding for the Operation Intern program is reduced by \$325,000 to provide a total appropriation of \$950,000, an increase of \$200,000 compared to the House version. The Senate approved an appropriation of \$1,275,000. Sections 7 and 16 of the bill are also adjusted to reflect the revised appropriation.

⁵ Funding for prekindergarten community grants is reduced by \$185,074 to provide \$1,500,000 from the general fund, the same as the House. The Senate approved an appropriation of \$1,685,074.

⁶ Funding for the North Dakota Trade Office is reduced by \$281,498 from the general fund, to provide a total of \$2,000,000 from the general fund. The House provided a total of \$1,781,498 and the Senate provided \$2,281,498. The Conference Committee also reduced the amount of funding that can be spent without requiring a match to 60 percent, compared to the Senate version of 70 percent and the House version of 50 percent. This is also reflected in Section 11 of the bill.

⁷ Funding for entrepreneurship grants and vouchers, also known as Innovate North Dakota, is reduced by \$750,000 from the general fund and increased by \$1.5 million from the Research North Dakota fund to provide a total appropriation of \$2.25 million, of which \$600,000 is from the general fund. The Senate approved an appropriation of \$1.5 million, of which \$1.35 million is from the general fund. The House approved an appropriation of \$750,000, of which \$600,000 is from the general fund. Sections 12 and 14 of the bill are also adjusted to reflect the revised appropriation.

⁸ Federal funds of \$5,201,752 is transferred from the grants line item to a flood impact grants/loans line item, the same as the House version. This funding is considered one-time funding.

⁹ One-time funding from the strategic investment and improvements fund for base retention grants is reduced from \$1,000,000 to \$600,000, a \$400,000 decrease from the Senate version and a \$400,000 increase from the House version of \$200,000. Section 8 of the bill is also adjusted to reflect the revised appropriation.

¹⁰ Funding for enhanced use lease grants is reduced by \$1 million from the strategic investment and improvements fund and increased by \$1 million from the general fund to provide a total one-time appropriation of \$3 million for the 2017-19 biennium, compared to \$2 million of one-time funding from the strategic investment and improvements fund approved by the House. The Senate approved a one-time appropriation of \$3 million from the strategic investment and improvements fund. Section 10 of the bill is also adjusted to reflect the revised appropriation.

This amendment also:

- Removes a section approved by the Senate allowing the Department of Commerce to continue unexpended 2015-17 funding for prekindergarten community grants into the 2017-19 biennium, the same as the House. This change will result in an estimated \$315,000 of general fund appropriation authority being canceled at the end of the 2015-17 biennium and being added to the estimated 2017-19 beginning general fund balance. This funding is appropriated from the general fund to the Department of Commerce for North Dakota tourism in the 2017-19 biennium.
- Amends Section 6 to allow the Department of Commerce to continue only \$1 million of unexpended 2015-17 biennium funds for the unmanned aircraft systems (UAS) program, resulting in a total of approximately \$1 million of 2015-17 biennium funds available for UAS. This change will result in an estimated \$1 million of general fund appropriation authority being canceled at the end of the 2015-17 biennium and being added to the estimated 2015-17 beginning general fund balance. This funding is appropriated to the Department of Commerce for enhanced use lease grants in the 2017-19 biennium.
- Requires the Department of Commerce to consult with the Aeronautics Commission regarding the unmanned aircraft systems test site.
- Adds Section 15, which directs the Office of Management and Budget to transfer \$4 million from the Research North Dakota fund to the general fund during the 2017-19 biennium. The House also included this transfer.

Engrossed SB 2018 was placed on the Seventh order of business on the calendar.

MOTION

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

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed SB 2018 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2018: A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; to provide for a report; and to declare an emergency.

MR. PRESIDENT: On Tuesday, January 10, 2017, the Senate Appropriations Committee held a hearing on the community services block grant moneys anticipated by the Department of Commerce during the period beginning October 1, 2017, and ending September 30, 2019. If any member of the Legislative Assembly desires copies of the minutes and testimony presented to the Senate Appropriations Committee during the block grant hearing, the Senate Appropriations Committee clerk will make copies available to you. I inform you about the availability of the information at this time since your approval or disapproval of the appropriation for the Department of Commerce includes the legislative action regarding the use of the federal block grant funds.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Bekkedahl; Kannianen; Larsen, O.

Reengrossed SB 2018 passed and the emergency clause was declared carried.

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

MR. PRESIDENT: The Speaker has appointed Rep. Kempenich to replace Rep. Vigasaa on the Conference Committee on HB 1001.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2018.

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

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

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1024.

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

MR. SPEAKER: The President has signed: SB 2001, SB 2016, SB 2119.

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

MR. SPEAKER: The President has signed: SB 2013, SB 2014.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1020, HB 1152.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1020, HB 1152.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has overridden the Governor's veto on HB 1004. The vote was 74 YEAS, 16 NAYS, 4 ABSENT AND NOT VOTING, and your favorable consideration is requested.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, April 27, 2017, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Kilzer, Erbele, Mathern and Reps. Pollert, J. Nelson, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1625-1633, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1625-1633 of the House Journal and pages 1372-1380 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 1, replace "an appropriation" with "appropriations"

Page 1, line 3, after "reenact" insert "subsection 1 of section 23-09.3-01.1, subsection 1 of section 23-16-01.1,"

Page 1, line 3, after "50-24.1-37" insert ", and subsection 1 of section 54-27-25"

Page 1, line 3, after the second "to" insert "the moratorium on basic care, nursing facility bed capacity,"

Page 1, line 4, after "expansion" insert ", and tobacco settlement trust fund transfers"

Page 1, line 6, replace "a report" with "for reports"

Page 1, line 6, remove the second "a"

Page 1, line 7, replace "study" with "studies"

Page 1, line 7, replace "provide appropriations" with "authorize transfers"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$28,049,386	(\$1,769,247)	\$26,280,139
Operating expenses	87,542,966	72,572,860	160,115,826
Capital assets	26,000	(26,000)	0
Grants	0	204,000	204,000
Total all funds	\$115,618,352	\$70,981,613	\$186,599,965
Less estimated income	<u>71,324,758</u>	<u>58,154,800</u>	<u>129,479,558</u>
Total general fund	\$44,293,594	\$12,826,813	\$57,120,407"

Page 2, replace lines 6 through 13 with:

"Salaries and wages	\$58,102,898	\$3,667,008	\$61,769,906
Operating expenses	107,383,843	17,338,098	124,721,941
Capital assets	0	10,000	10,000
Grants	457,953,280	(24,485,621)	433,467,659
Grants - medical assistance	<u>2,384,560,568</u>	<u>213,559,361</u>	<u>2,598,119,929</u>

Total all funds	\$3,008,000,589	\$210,088,846	\$3,218,089,435
Less estimated income	<u>1,995,024,801</u>	<u>165,841,615</u>	<u>2,160,866,416</u>
Total general fund	\$1,012,975,788	\$44,247,231	\$1,057,223,019"

Page 2, replace lines 18 through 22 with:

"Human service centers	\$198,888,443	(\$2,838,954)	\$196,049,489
Institutions	<u>139,587,498</u>	<u>833,726</u>	<u>140,421,224</u>
Total all funds	\$338,475,941	(\$2,005,228)	\$336,470,713
Less estimated income	<u>132,820,302</u>	<u>5,723,403</u>	<u>138,543,705</u>
Total general fund	\$205,655,639	(\$7,728,631)	\$197,927,008

Subdivision 4.

COUNTY SOCIAL SERVICE FINANCING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County social service financing	\$0	\$26,000,000	\$26,000,000
Total all funds	\$0	\$26,000,000	\$26,000,000
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$0	\$26,000,000	\$26,000,000"

Page 2, line 23, replace "4." with "5."

Page 2, replace lines 27 through 30 with:

"Grand total general fund	\$1,262,925,021	\$75,345,413	\$1,338,270,434
Grand total special funds	<u>2,199,169,861</u>	<u>229,719,818</u>	<u>2,428,889,679</u>
Grand total all funds	\$3,462,094,882	\$305,065,231	\$3,767,160,113
Full-time equivalent positions	2,211.08	(54.85)	2,156.23"

Page 3, line 2, replace "\$6,376,445" with "\$5,914,453"

Page 3, line 2, replace "\$5,350,004" with "\$4,962,381"

Page 3, line 3, replace "\$1,249" with "\$1,241"

Page 3, after line 20, insert:

"Medicaid expansion - fee schedule enhancement	0	226,000,000
County social services pilot program	0	26,000,000"

Page 3, replace lines 23 through 25 with:

"Total all funds	\$64,962,269	\$295,800,000
Less estimated income	<u>46,870,102</u>	<u>269,800,000</u>
Total general fund	\$18,092,167	\$26,000,000"

Page 4, line 29, replace "\$16,000,000" with "\$37,779,159"

Page 4, line 30, replace "in the medical services division" with "of the department of human services"

Page 5, line 2, replace "\$686,191" with "\$1,686,191"

Page 5, after line 3, insert:

"SECTION 10. ESTIMATED INCOME. Of funds appropriated in section 1 of this Act, \$18,000,000 is from the community health trust fund for the purpose of defraying expenses in the medical services division, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 5, line 9, replace "AND" with a boldfaced comma

Page 5, line 10, after "**MARGINS**" insert ", **AND INCENTIVES**"

Page 5, line 11, replace "\$329,636" with "\$417,010"

Page 5, line 12, replace "\$329,636" with "\$417,010"

Page 5, line 14, replace "and" with a comma

Page 5, line 14, after "margins" insert ", and incentives"

Page 5, after line 15, insert:

"SECTION 13. APPROPRIATION - 2015-17 BIENNIUM - SUBSTANCE USE DISORDER VOUCHER PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the substance use disorder voucher program, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 14. LEGISLATIVE INTENT - SUBSTANCE USE DISORDER VOUCHER PROGRAM - MEDICATION ASSISTED TREATMENT. It is the intent of the sixty-fifth legislative assembly that the department of human services include medication assisted treatment as an allowable service under the substance use disorder voucher program. It is also the intent that payments for medication dispensed as part of the treatment be established quarterly, based on the Medicaid allowed amount, plus a weekly dispensing and administration fee of no more than the dispensing fee established under the state's medical assistance program.

SECTION 15. LEGISLATIVE INTENT - RESTORATION FUNDING FOR BASIC CARE. It is the intent of the sixty-fifth legislative assembly that the funding appropriated to the department of human services for the restoration of basic care provider rates be prioritized in the following order:

1. Operating margin;
2. Medical leave days; and then
3. Increase to limits.

SECTION 16. LEGISLATIVE INTENT - MEDICAID EXPANSION - FEE SCHEDULE. It is the intent of the sixty-fifth legislative assembly that the one-time funding of \$226,000,000, of which \$13,300,000 is from the tobacco prevention and control trust fund, provided for defraying a portion of the expenses of the Medicaid expansion program be used for establishing the provider fee schedule at the maximum level possible without exceeding the current levels of reimbursement for the Medicaid expansion contracted providers."

Page 5, after line 27, insert:

"SECTION 18. LEGISLATIVE INTENT - CARE COORDINATION AGREEMENTS. It is the intent of the sixty-fifth legislative assembly that the department of human services establish requisite agreements with tribal health care organizations that will result in one hundred percent federal funding for eligible medical assistance provided to American Indians through care coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019.

SECTION 19. CARE COORDINATION AGREEMENTS - HEALTH CARE TRUST FUND DEPOSITS. The department of human services shall deposit any federal funding received in excess of the state's regular federal medical assistance percentage resulting from the department establishing requisite agreements with tribal health care organizations in the health care trust fund for the biennium beginning July 1, 2017, and ending June 30, 2019. The department shall maintain a separate account within the health care trust fund for this funding."

Page 5, line 28, remove "TRAUMATIC"

Page 5, line 30, replace "apply for a" with "include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid"

Page 5, line 30, remove "for traumatic brain injury services"

Page 6, line 1, remove "an"

Page 6, line 1, remove "0.5 full-time equivalent position and"

Page 6, line 2, replace "this purpose" with "enhancing services through a Medicaid 1915(i) state plan amendment for individuals with a brain injury for the biennium beginning July 1, 2017, and ending June 30, 2019"

Page 7, after line 4, insert:

"SECTION 26. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - VARIANCE. It is the intent of the sixty-fifth legislative assembly that during the 2017-19 biennium, the department of human services may authorize a treatment or care center's variance request relating to the treatment or care center's bedrooms or bathrooms, if the department determines the variance does not pose a health or safety risk. It is also the intent that the department of human services adopt rules to establish a variance process that allows the department to grant a variance if the variance will not pose a danger to the health or safety of an individual served by the treatment or care center.

SECTION 27. LEGISLATIVE INTENT - PROCESS AND OUTCOME MEASURES. It is the intent of the sixty-fifth legislative assembly that behavioral health service providers that receive funding from the department of human services submit process and outcome measures to the department for programs and services supported by state funding.

SECTION 28. LEGISLATIVE INTENT - TELEPHONE SUPPORT AND DIRECTORY SERVICES. It is the intent of the sixty-fifth legislative assembly that the vendor of telephone and directory services, under contract with the department of human services, include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.

SECTION 29. REPORTING REQUIREMENTS - YOUTH ACCESS TO TOBACCO. The operating expenses line item in subdivision 2 of section 1 of this Act includes \$75,000 from the tobacco prevention and control trust fund for costs of complying with youth access to tobacco reporting requirements under title 45, Code of Federal Regulations, part 96, section 130, for the biennium beginning July 1, 2017, and ending June 30, 2019. The state department of health and local public health units shall collect and disclose all required data reporting elements to the department of human services.

SECTION 30. ROBINSON RECOVERY CENTER FUNDING. Notwithstanding the designation of funding for the Robinson recovery center in the appropriation for the department of human services in section 1 of this Act, the department of human services may utilize other providers for substance use disorder treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 31. LEGISLATIVE INTENT - OPERATING EXPENSES. It is the intent of the sixty-fifth legislative assembly that the department of human services analyze its budgetary needs and allocate up to \$650,000 from the general fund included in the operating expenses line item in subdivision 1 of section 1 of this Act to other line items in subdivisions 1, 2, and 3 within section 1 of this Act based on the department's priorities resulting from its analysis."

Page 7, after line 25, insert:

"SECTION 33. LEGISLATIVE MANAGEMENT STUDY - BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES SERVICES. During the 2017-18 interim, the legislative management shall consider studying state and federal laws and regulations relating to the care and treatment of individuals with developmental disabilities or behavioral health needs.

1. The study must include a review of the following:
 - a. The state's services and delivery systems, including whether changes are necessary to maintain compliance with state and federal laws and regulations;
 - b. Efforts by other states to comply with the 1999 Olmstead v. L.C. case, including the planning and implementation process for any new programs;
 - c. Community- and non-community-based services, including the costs and effectiveness of services;
 - d. Noncompliance with state and federal laws and regulations, including a review of the fees and penalties for noncompliance;
 - e. A comparison of voluntary and involuntary compliance with state and federal laws and regulations, including a review of long-term costs and effectiveness;
 - f. The impact of implementation and expansion of selected programs that were added to address unmet needs, including the impact on costs and effectiveness of new programs;
 - g. Needed changes to address noncompliance and a timeline for completing changes;
 - h. Data on the number of individuals who would be impacted by voluntary compliance efforts, and data on the type of services that may need changing, including housing, peer counseling, outpatient treatment, crisis line access, and transportation services; and
 - i. An evaluation of the funding, mission, and caseload at the life skills and transition center, including the center's transition plan and number of clients eligible for community placement.
2. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-sixth legislative assembly.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - DEPARTMENT OF HUMAN SERVICES DELIVERY SYSTEM. During the 2017-18 interim, the legislative management shall consider conducting a comprehensive study of the department of human services.

1. The study must include:
 - a. A review of the continuum of services for each population served, the delivery methods for those services, and the efficiency and effectiveness of the services.
 - b. The involvement of federal, state, and local governments and for-profit and nonprofit entities in the provision and funding of services.
 - c. An analysis of the funding levels for the programs and services included in the delivery system.
 - d. Consideration of the appropriate role for each of the entities involved in the delivery system.

- e. The development of a comprehensive master structure for the system.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - NURSING FACILITY RATES. During the 2017-18 interim, the legislative management shall consider studying the nursing facility rate components to determine the adequacy of reimbursement and evaluate the efficiency of nursing facility operations. The study must identify and review potential quality measures relating to nursing facilities and consider the feasibility and desirability of using quality measures as a component of reimbursement. 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 36. AMENDMENT. Subsection 1 of section 23-09.3-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Basic care beds may not be added to the state's licensed bed capacity during the period between August 1, ~~2015~~2017, and July 31, ~~2017~~2019, except when:
 - a. A nursing facility converts nursing facility beds to basic care;
 - b. An entity licenses bed capacity transferred as basic care bed capacity under section 23-16-01.1;
 - c. An entity demonstrates to the state department of health and the department of human services that basic care services are not readily available within a designated area of the state or that existing basic care beds within a fifty-mile [80.47-kilometer] radius have been occupied at ninety percent or more for the previous twelve months. In determining whether basic care services will be readily available if an additional license is issued, preference may be given to an entity that agrees to any participation program established by the department of human services for individuals eligible for services under the medical assistance program under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.]; or
 - d. The state department of health and the department of human services grant approval of new basic care beds to an entity. The approved entity shall license the beds within forty-eight months from the date of approval.

SECTION 37. AMENDMENT. Subsection 1 of section 23-16-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic care beds to nursing facility beds or relicenses nursing facility beds delicensed after July 31, 2011, nursing facility beds may not be added to the state's licensed bed capacity during the period between August 1, ~~2015~~2017, and July 31, ~~2017~~2019. A nursing facility may not delicense nursing facility bed capacity, relicense nursing facility bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert licensed basic care bed capacity back to nursing facility bed capacity, or otherwise reconfigure licensed nursing facility bed capacity more than one time in a twelve-month period."

Page 8, line 8, remove "Effective January 1, 2018, medical assistance expansion program applicants and"

Page 8, remove lines 9 and 10

Page 8, line 11, remove "4."

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

Page 8, line 24, after "service" insert "and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license"

Page 9, line 2, replace "6." with "5."

Page 9, line 9, replace "7." with "6."

Page 9, after line 14, insert:

"SECTION 39. AMENDMENT. Subsection 1 of section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:
 - a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ~~ten-fifty-five~~ percent of total annual transfers from the tobacco settlement trust fund of which a minimum of eighty percent must be used for tobacco prevention and control.
 - b. ~~Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.~~
 - e. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund."

Page 9, line 16, replace "21" with "40"

Page 9, after line 19, insert:

"SECTION 42. EXPIRATION DATE. Section 39 of this Act is effective through June 30, 2019, and after that date is ineffective."

Page 9, line 20, remove "10,"

Page 9, line 20, after the second comma insert "12, 13,"

Page 9, line 20, replace "15" with "22"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
DHS - Management						
Total all funds	\$115,618,352	\$183,107,141	\$3,492,824	\$186,599,965	\$188,965,972	(\$2,366,007)
Less estimated income	71,324,758	128,092,518	1,387,040	129,479,558	130,363,310	(883,752)
General fund	\$44,293,594	\$55,014,623	\$2,105,784	\$57,120,407	\$58,602,662	(\$1,482,255)
DHS - Program/Policy						
Total all funds	\$3,008,000,589	\$3,003,441,602	\$214,647,833	\$3,218,089,435	\$3,256,351,303	(\$38,261,868)
Less estimated income	1,995,024,801	1,904,175,061	256,691,355	2,160,866,416	2,151,061,337	9,805,079
General fund	\$1,012,975,788	\$1,099,266,541	(\$42,043,522)	\$1,057,223,019	\$1,105,289,966	(\$48,066,947)
DHS - Field Services						
Total all funds	\$338,475,941	\$335,651,282	\$819,431	\$336,470,713	\$337,852,305	(\$1,381,592)
Less estimated income	132,820,302	138,122,012	421,693	138,543,705	139,114,251	(570,546)
General fund	\$205,655,639	\$197,529,270	\$397,738	\$197,927,008	\$198,738,054	(\$811,046)
DHS - County Social Services Financing						
Total all funds	\$0	\$0	\$26,000,000	\$26,000,000	\$0	\$26,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$26,000,000	\$26,000,000	\$0	\$26,000,000
Bill total						
Total all funds	\$3,462,094,882	\$3,522,200,025	\$244,960,088	\$3,767,160,113	\$3,783,169,580	(\$16,009,467)
Less estimated income	2,199,169,861	2,170,389,591	258,500,088	2,428,889,679	2,420,538,898	8,350,781
General fund	\$1,262,925,021	\$1,351,810,434	(\$13,540,000)	\$1,338,270,434	\$1,362,630,682	(\$24,360,248)

House Bill No. 1012 - DHS - Management - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$28,049,386	\$23,437,315	\$2,842,824	\$26,280,139	\$28,193,528	(\$1,913,389)
Operating expenses	87,542,966	159,465,826	650,000	160,115,826	160,568,444	(452,618)
Capital assets	26,000					
Grants		204,000		204,000	204,000	
Total all funds	\$115,618,352	\$183,107,141	\$3,492,824	\$186,599,965	\$188,965,972	(\$2,366,007)
Less estimated income	71,324,758	128,092,518	1,387,040	129,479,558	130,363,310	(883,752)
General fund	\$44,293,594	\$55,014,623	\$2,105,784	\$57,120,407	\$58,602,662	(\$1,482,255)
FTE	147.10	122.45	18.00	140.45	150.45	(10.00)

Department No. 326 - DHS - Management - Detail of Conference Committee Changes

	Management ¹	Total Conference Committee Changes
Salaries and wages	\$2,842,824	\$2,842,824
Operating expenses	650,000	650,000
Capital assets		
Grants		
Total all funds	\$3,492,824	\$3,492,824
Less estimated income	1,387,040	1,387,040
General fund	\$2,105,784	\$2,105,784
FTE	18.00	18.00

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Management - Conference Committee Changes:

	FTE Positions	General Fund	Other Funds	Total
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(26,664)	(12,933)	(39,597)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service		84,610	43,811	128,421
Adds funding for departmentwide operating expenses		650,000	0	650,000

Restores departmentwide FTE positions	18.00	1,397,838	1,356,162	2,754,000
Total Changes - Management	18.00	\$2,105,784	\$1,387,040	\$3,492,824

House Bill No. 1012 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$58,102,898	\$60,987,433	\$782,473	\$61,769,906	\$61,721,028	\$48,878
Operating expenses	107,383,843	124,591,049	130,892	124,721,941	124,923,941	(202,000)
Capital assets		10,000		10,000	10,000	
Grants	457,953,280	463,874,768	(30,407,109)	433,467,659	465,059,768	(31,592,109)
Grants - Medical assistance	2,384,560,568	2,353,978,352	244,141,577	2,598,119,929	2,604,636,566	(6,516,637)
Total all funds	\$3,008,000,589	\$3,003,441,602	\$214,647,833	\$3,218,089,435	\$3,256,351,303	(\$38,261,868)
Less estimated income	1,995,024,801	1,904,175,061	256,691,355	2,160,866,416	2,151,061,337	9,805,079
General fund	\$1,012,975,788	\$1,099,266,541	(\$42,043,522)	\$1,057,223,019	\$1,105,289,966	(\$48,066,947)
FTE	348.50	358.50	2.00	360.50	359.50	1.00

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

	Program and Policy ¹	Total Conference Committee Changes
Salaries and wages	\$782,473	\$782,473
Operating expenses	130,892	130,892
Capital assets		
Grants	(30,407,109)	(30,407,109)
Grants - Medical assistance	244,141,577	244,141,577
Total all funds	\$214,647,833	\$214,647,833
Less estimated income	256,691,355	256,691,355
General fund	(\$42,043,522)	(\$42,043,522)
FTE	2.00	2.00

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Program and Policy - Conference Committee Changes:

	FTE Positions	General Fund	Other Funds	Total
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(43,940)	(32,239)	(76,179)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service		169,458	340,113	509,571
Economic Assistance				
Adjusts funding for county social services financing		(5,020,286)	0	(5,020,286)
Moves funding added by the House for alternatives to abortion services from children and family services		0	100,000	100,000
Medical Services				
Adjusts funding for county social services financing		(10,416,499)	10,416,499	0
Removes funding of \$1,779,159 from the tobacco prevention and control trust fund and related federal funding for opioid treatment		0	(3,558,318)	(3,558,318)
Adds funding for physical, occupational, and speech therapy service provider rate increases to 75 percent		56,485	56,485	112,970
Adds funding to continue Medicaid Expansion for 19 and 20 year olds as managed care		1,653,008	1,652,962	3,305,970
Adds \$13.3 million of one-time funding from the tobacco prevention and control trust fund and related federal funding to continue the Medicaid Expansion program as managed care at commercial rates		0	226,000,000	226,000,000
Adds 1 FTE position for administering tribal health care agreements	1.00	76,500	76,500	153,000
Replaces general fund support with funding from the community health trust fund		(18,000,000)	18,000,000	0
Replaces general fund support with funding from the tobacco prevention and control trust fund		(7,175,000)	7,175,000	0

Long-Term Care

	1,152,003	1,152,003	2,304,006
Adjusts funding for nursing home incentives			
Adds funding, of which \$1 million is from the health care trust fund to increase nursing facility operating margin, effective January 1, 2018	0	2,000,000	2,000,000
Adds funding from the tobacco prevention and control trust fund for basic care services	0	450,000	450,000
Adds funding for the Fair Labor Standards Act - Home Care Rule funding for qualified service providers	2,871,613	1,937,248	4,808,861
Children and Family Services			
Adjusts funding for county social services financing	(10,563,215)	(17,358,767)	(27,921,982)
Moves funding added by the House for alternatives to abortion services to economic assistance	0	(100,000)	(100,000)
Behavioral Health Division			
Restores a portion of the funding removed by the House for Parent's LEAD program	100,000	0	100,000
Adds funding for the substance use disorder voucher program, of which \$1,779,159 is from the tobacco prevention and control trust fund to provide \$2,779,159	625,000	1,779,159	2,404,159
Adds funding from the tobacco prevention and control trust fund for tobacco prevention related activities	0	75,000	75,000
	0	4,000,000	4,000,000
Adds federal funds for opioid treatment programs			
Developmental Disabilities			
Restores funding removed by the House for rate adjustments	6,109,044	6,109,045	12,218,089
Adjusts funding for cost and caseload	(4,000,000)	(4,000,001)	(8,000,001)
Adds 1 FTE position and related funding for specialized services for individuals with developmental disabilities	1.00	250,307	510,973
Adds federal funding for the Experienced Parent program to provide a total of \$260,000	0	160,000	160,000
Adds funding for corporate guardianship services for individuals with developmental disabilities	112,000	0	112,000
Total changes - Program and policy	2.00	(\$42,043,522)	\$256,691,355

House Bill No. 1012 - DHS - Field Services - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Human service centers	\$198,888,443	\$195,804,854	\$244,635	\$196,049,489	\$197,096,856	(\$1,047,367)
Institutions	139,587,498	139,846,428	574,796	140,421,224	140,755,449	(334,225)
Total all funds	\$338,475,941	\$335,651,282	\$819,431	\$336,470,713	\$337,852,305	(\$1,381,592)
Less estimated income	132,820,302	138,122,012	421,693	138,543,705	139,114,251	(570,546)
General fund	\$205,655,639	\$197,529,270	\$397,738	\$197,927,008	\$198,738,054	(\$811,046)
FTE	1715.48	1655.28	0.00	1655.28	1655.28	0.00

Department No. 349 - DHS - Field Services - Detail of Conference Committee Changes

	Field Services ¹	Total Conference Committee Changes
Human service centers	\$244,635	\$244,635
Institutions	574,796	574,796
Total all funds	\$819,431	\$819,431
Less estimated income	421,693	421,693
General fund	\$397,738	\$397,738
FTE	0.00	0.00

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Field Services - Conference Committee Changes:

	FTE Positions	General Fund	Other Funds	Total
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(317,019)	(29,197)	(346,216)

Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state services		714,757	450,890	1,165,647
Total changes - Field services	0.00	\$397,738	\$421,693	\$819,431

House Bill No. 1012 - DHS - County Social Services Financing - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
County social services financing			\$26,000,000	\$26,000,000		\$26,000,000
Total all funds	\$0	\$0	\$26,000,000	\$26,000,000	\$0	\$26,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$26,000,000	\$26,000,000	\$0	\$26,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 333 - DHS - County Social Services Financing - Detail of Conference Committee Changes

	County Social Services Financing ¹	Total Conference Committee Changes
County social services financing	\$26,000,000	\$26,000,000
Total all funds	\$26,000,000	\$26,000,000
Less estimated income	0	0
General fund	\$26,000,000	\$26,000,000
FTE	0.00	0.00

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County Social Services Financing - Conference Committee Changes:

	FTE Positions	General Fund	Other Funds	Total
County social services financing pilot program		\$26,000,000	\$0	\$26,000,000
Total changes - County Social Services Financing	0.00	\$26,000,000	\$0	\$26,000,000

This amendment also:

- 1 Adjusts a section to provide a deficiency appropriation of \$417,010 from the general fund and \$417,010 from other funds for rebasing, operating margins, and incentives for long-term care facilities, the same as the Senate version. The House version provided \$329,636 from the general fund and \$329,636 from other funds, for rebasing and operating margins only.
- 2 Adds a section to provide estimated income of \$18 million from the community health trust fund.
- 3 Adjusts a section to provide estimated income of \$37,779,159 from the tobacco prevention and control trust fund, the same as the Senate. The House provided \$16 million.
- 4 Adds a section to provide \$200,000 from the general fund as an emergency measure for the Substance Use Disorder Voucher (SUD) program for the 2015-17 biennium, the same as the Senate version.
- 5 Adds a section of legislative intent that the Department of Human Services include medication assisted treatment as an allowable service under the substance use disorder voucher program. Neither the Senate nor the House included this section.
- 6 Adds a section providing for the prioritization of funding restored for basic care provider rates, the same as the Senate version.
- 7 Adds a section of legislative intent relating to the Medicaid Expansion program fee schedule. Neither the Senate nor the House included this section.
- 8 Adds a section of legislative intent that the Department of Human Services establish requisite agreements with tribal health care organizations that will result in 100 percent federal funding for eligible medical assistance provided to American Indians. The same as the Senate version.
- 9 Adds a section to provide that any federal funding received in excess of the state's regular federal medical assistance percentage resulting from the department establishing requisite agreements with tribal health care organizations be deposited and separately accounted for in the health care trust fund.
- 10 Adds a section of legislative intent that the Department of Human Services include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid 1915(i) state plan amendment. The same as the Senate version.
- 11 Adds a section of legislative intent allowing the department to authorize treatment or care center's variance request relating to the treatment or care center's bedrooms or bathrooms, the same as the Senate version.
- 12 Adds a section of legislative intent that behavioral health service providers that receive funding from the Department of Human Services to submit process and outcome measures, the same as the Senate version.
- 13 Adds a section of legislative intent that the vendor of telephone and directory services under contract with the Department of Human Services include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers, the same as the Senate version.
- 14 Adds a section that identifies \$75,000 from the tobacco prevention and control trust fund for costs of complying with youth access to tobacco reporting requirements under Title 45, Code of Federal Regulations, Part 96, Section 130, the same as the Senate version.
- 15 Adds a section to provide that the Department of Human Services may utilize other providers for substance use disorder treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract, the same as the Senate version.

- 16 Adds a section of legislative intent for the Department of Human Services to analyze its budgetary needs and allocate up to \$650,000 from the general fund included in the operating expenses line item in subdivision 1 of section 1 to other subdivisions based on the department's priorities resulting from its analysis. The Senate version provided for allocating up to \$1,102,618.
- 17 Adds a section to provide for a Legislative Management study of state and federal laws and regulations relating to the care and treatment of individuals with developmental disabilities or behavioral health needs. In addition, this section provides for an evaluation of the funding, mission, and caseload at the Life Skills and Transition Center. The Senate version did not include providing for an evaluation of the funding, mission, and caseload at the Life Skills and Transition Center.
- 18 Adds a section to provide for a Legislative Management study of the Department of Human Services delivery system. Neither the Senate nor the House included this section.
- 19 Adds a section to provide for a Legislative Management study of nursing facility rate components. Neither the Senate nor the House included this section.
- 20 Adds a section to amend North Dakota Century Code Section 23-09.3-01.1(1) to extend the moratorium on basic care beds to July 31, 2019, the same as the Senate.
- 21 Adds a section to amend Section 23-16-01.1(1) to extend the moratorium on nursing facility beds to July 31, 2019, the same as the Senate.
- 22 Adjusts a section relating to Medicaid Expansion, to require the Medicaid Expansion contract to allow pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license. In addition, this section removes language that would provide for applicants and recipients at least 19 but less than 21 years of age to receive coverage through traditional medical assistance. The Senate version did not include language to require the Medicaid Expansion contract to allow pharmacy providers to dispense any and all drugs. The House version provided for applicants and recipients at least 19 but less than 21 years of age to receive coverage through traditional medical assistance.
- 23 Adds a section to amend Section 54-27-25(1) to increase the tobacco settlement proceeds deposited in the community health trust fund from 10 to 55 percent for the 2017-19 biennium, and eliminate the 45 percent allocation from the tobacco settlement proceeds deposited in the common schools trust fund for the 2017-19 biennium. Neither the Senate nor the House included this section.
- 24 Adjusts a section to provide estimated income of \$1,686,191 from the health care trust fund. The House and Senate versions included \$686,191 from the health care trust fund.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

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

Shanda Morgan, Secretary