

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1181

2001 HOUSE AGRICULTURE

HB 1181

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1181

House Agriculture Committee

Conference Committee

Hearing Date 1-19-2001

Tape Number	Side A	Side B	Meter #
ONE	A		3107 TO 4340
Committee Clerk Signature <i>Edward P. Clifton</i>			

Minutes:

A BILL for an Act to amend and reenact subsection 5 of section 4-05.1-19 and subsection 1 of section 4-05.1-21 of the North Dakota Century Code, relating to state board of agricultural research and education biennial budget requests and use of agricultural research fund annual proceeds.

JA1492 VICE CHAIRMAN DENNIS JOHNSON: We will now open the hearing on HB 1181.

JERRY DOAN: Mr. Chairman and Representatives of the committee. I appreciate the opportunity to be here. My name is Jerry Doan; a farmer and rancher from McKinzie. The reason we are changing the language in this Bill is that the auditor said you should have some legal language in this Bill to make sure you are legal. I'm Chairman of the State Board of Higher Education. HB 1181, you have before you is sort of a house cleaning bill for the state board research and education. The first change there in section 1 that deletes the language that

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that says on or before March first of each even numbered year that we would submit our biennial budget to the State Board of Higher Education. The reason we are changing that is that it caused us a little bit of problems and I think that the S.B.H.E. would agree with that. We are actually out in front of the Governors recommendations. We are the first board to have to come in and have to give a budget. Yet when we don't have any direction, so it caused us a lot of extra work and the S.B.H.E. really is not in the budget cycle yet. They really were not prepared to be hearing our budget so then we ended up coming back again when they were more prepared so that they could actually ask questions for things that they needed and then we also had to go back once the Governors recommendation came out and rework our budget. We are just taking that language out. We will still go before the S.B.H.E. when they request it and do the same thing. It just get rid of that date. The second change is in section two there and where it is underlined they used the proceeds of the Agricultural Research Fund created for reasonable administrative expenses. As you know we have the gas tax research fund which takes the money from the refundable gas tax fund and put it in an Ag. research fund. We have been paying administrative costs but we had an audit this past year. Which was mentioned previously. We need some language in there that will allow us to pay those administrative costs. We have a contract so that those costs can't go over \$50,000.00 a year. They have been coming in below that all the time. I don't want to belabor that but if you have questions, I'd like to answer them. There is nothing new. We simply have to make sure we are legal. The other point is that I would like to offer an amendment. What this amendment will do is right now the President of N.D.S.U. is on our board. That work fine other then he is a really busy man and this will allow the president or his designee. At the present time Keith

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Bjerke who most of you know will become the one that will attend our meetings and be a little bit more involved so this just allows a little bit of flexibility. That's the reason for the change. It make's legal. There are ten producers on the board and those ten votes basically set the direction of where we are going. Any questions. We are really making progress. We are a producers board. A hand out was produced as to the budget. We do research and that is going real good. If you feel research should go in a different direction let us know. We are open to suggestion and appreciate any input you give us.

1A:4340 VICE CHAIRMAN JOHNSON: Any other testimony or questions. Any oppositions.

If not we will close the hearing on HB 1181.

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2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1181

House Agriculture Committee

Conference Committee

Hearing Date 1-19-01

Tape Number	Side A	Side B	Meter #
THREE	A		740 to 2460
Committee Clerk Signature			

Minutes:

1A:740 CHAIRMAN NICHOLAS: Discussion on HB 1181. I do that we should do a study. We will have a joint meeting with the senate. I'd like for there to be a little time in between cross over so that we can meet with Jerry Doan and his people and get some suggestions and comments. There is a lot of legislation passed in conference committees. There is nothing to say that we can't change that funding source. I am not adverse to looking at a different funding source. Some of you Representatives were here when we put this Bill together.

1A: REPRESENTATIVE: There was some discussion between Representatives and Chairman Nicholas. There are all sorts of research that we can do.

Again general discussion.

1A: REPRESENTATIVE LLOYD: When you sit in on appropriations, you get a chance to hear the incidentals and quite frankly get an agenda as to research. Those are outlined are outlined when they are going to occur. North Dakota dose not have a total handle on research.

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1A:1500 CHAIRMAN NICHOLAS: We are hoping that with N.D.S.U. research and the U.S.D.A. research is also doing work. We hope that someone comes up with a silver bullet Durum because we need it.

1A:2460 THERE IS JUST A GENERAL DISCUSSION GOING ON AT THIS TIME IN THE TAPE:

CHAIRMAN NICHOLAS: CLOSED =====2460=====

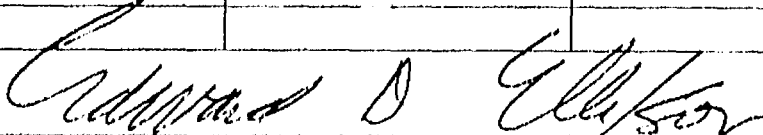
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1181

House Agriculture Committee

Conference Committee

Hearing Date 1-19-2001

Tape Number	Side A	Side B	Meter #
one	A		1486 to 2660
Committee Clerk Signature 			

Minutes:

1A:1486 VICE CHAIRMAN D. JOHNSON: We will now reopen HB 1181. Is everybody familiar with what Mr. Doan wanted to do here.

Representative Berg: I think we should go ahead and adopt the amendments. A motion was made to adopt the amendments. The motion was seconded. There was a do pass.

In the vote there were 9 yes....2 no....4 absent. There was some discussion on this Bill after the vote was taken. It had to with administrative fees. Mr. Doan would like to come in and address the House of Representatives etc. as to the Bill. There tended to be some opposition to the BILL after it was passed. There was a close as to HB 1181 and then a close of the hearing.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1181

House Agriculture Committee

Conference Committee

Hearing Date 1-26-2001

Tape Number	Side A	Side B	Meter #
ONE	A		2139 TO 4442
Committee Clerk Signature <i>Edward D. Clayton</i>			

Minutes:

1A: CHAIRMAN NICHOLAS: Committee Members, I'd like to go to HB 1181. HB 1181 is a Bill that was rereferred to our committee yesterday and had an amendment drawn up and then it was rereferred to our committee. I asked Jerry Doan to stop down and he is here. O.K. Committee members you all have to hand outs. This time committee members, what are your wishes on this Bill. The concern on the floor was that it did not go through the appropriations process per say. Jerry, do you want to address some of those concerns.

1A: JERRY DOAN: Thank you Mr Chairman. Committee members, I am Jerry Doan. There seemed to be a little bit of lack of information. Just to bring you up to speed, This the gas tax refund when you go and fill out your gas tax refund you use gas for a haying tractor, etc. off road you are able to get that tax money back and four cents of it goes into a research fund which was set up in the legislature two sessions ago. As we set the fund up we thought it was not appropriate for N.D.S.U. for them to be handling the funds. We went outside, we asked for

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bids and two or three bids came forward and one was from Lori Safu. If you remember Lori, she used to minister APOK which was very similar. She had a lot of background knowledge which was nice. I can tell you if it were not for Lori, I think this would have been a nightmare. This thing has really worked well. Truly, producers are granting committees. We have a contract with her. There is an attached memo as to salary, expenses etc. We have kept hands off as much possible. We have let it run itself with Lori. The Bill is to clean up the language to make everything legal so we can keep pay Lori.

1A:2908 CHAIRMAN NICHOLAS: Are there any questions of Jerry Doan.

1A: REPRESENTATIVE BERG: How do we cap the administrative funds. We have been careful not to get these funds mixed in with University Money. However we pay for the administration, it needs to be part of that gas tax research fund. We keep this separated from N.D.S.U. so it doesn't get mixed with in with the politics of the University. The program is working good.

1A: CHAIRMAN NICHOLAS: Dose anyone else want to make comments on this?

1A:PLEASE CC ATTACHED AMENDMENT 18235.0201 AS TO HOW TO FUND THE ADMINISTRATIVE PART OF THE PROGRAM AND LEAVE THE FUNDS FOR RESEARCH For administrative funds use the interest on the fund. We would cap the a

administrative free annually at fifty thousand dollars. That would be a simple way to do it.

1A: CHAIRMAN NICHOLAS: Representative Berg, I am going suggest that you draft an amendment as you put it and we will hold this BILL until next week. You and Rep. Lloyd draft a clean amendment. All right that takes care of 1181.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1181

House Agriculture Committee

Conference Committee

Hearing Date 2--1--01

Tape Number	Side A	Side B	Meter #
TWO	A		1500 TO 2890
Committee Clerk Signature <i>Edward J. Clayton</i>			

Minutes:

CHAIRMAN NICHOLAS: We will open the hearing on HB 1181

Please look at your amendments. Representative Berg, do you want to explain these amendments to committee members.

Representative Berg: Basically these amendments are for two things. It allows the interest money for the money that SBAR has to flow into their account. Currently we have principal and the interest going into the general fund. Second thing that this dose, it caps their expenses no to exceed \$50,000.00. So that basically the amendments, in nut

shell .IRMAN JOHNSON:

Representative Pietsch moves to adopt the amendment. Representative Berg seconded the amendment move.

Vice Chairman Johnson: The amendments have been moved on. All in favor of amendments.

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Bill/Resolution Number HB 1181

2-1-01

The clerk will take Roll. The ROLL WAS TAKEN*****14 YES*****0 NO*****1 ABSENT

REPRESENTATIVE LLOYD WILL CARRY HB 1181.

REPRESENTATIVE BERG: There will be a fiscal note going with this Bill. It will be approximately \$50,000.00. The bill explains that they can spend money on administrative expenses.

FISCAL NOTE
 Requested by Legislative Council
 02/09/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1181

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

No net fiscal impact on the Agricultural Research Grant Fund. A portion of the resources from the agriculture research fund would be used to pay administrative expenses associated with the administration of the research fund. Currently, SBARE has a contract with an individual who administers and advised SBARE on the use of the funds. Total administrative expenses for the current 99-01 biennium are \$100,000. This represents roughly 8% of the estimated total 99-01 available revenue.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Laura Glatt	Agency:	North Dakota University System
Phone Number:	328-4118	Date Prepared:	02/09/2001