

JOURNAL OF THE SENATE

Fifty-eighth Legislative Assembly

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Bismarck, April 24, 2003

The Senate convened at 8:30 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Cook.

The roll was called and all members were present.

A quorum was declared by the President.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. HOLMBERG MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1497, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed HB 1497: Sens. Holmberg, Stenehjem, O'Connell.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BOWMAN MOVED that the conference committee report on Engrossed SB 2009 as printed on SJ pages 1568-1572 be adopted.

REQUEST

SEN. KRAUTER REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Engrossed SB 2009, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed SB 2009, the roll was called and there were 24 YEAS, 23 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Fischer; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lyson; Mutch; Schobinger; Stenehjem; Thane; Tollefson; Traynor; Wardner

NAYS: Bercier; Christenson; Every; Fairfield; Flakoll; Heitkamp; Krauter; Lee, G.; Lee, J.; Lindaas; Mathern; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Seymour; Syverson; Tallackson; Taylor; Trenbeath; Urlacher

The conference committee report on Engrossed SB 2009 was adopted.

Engrossed SB 2009, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2009: A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide for the continuation of an agricultural pesticide and pesticide container disposal program; to amend and reenact sections 4-37-03 and 4-37-04, subsection 1 of section 19-13.1-03, and section 19-14-04 of the North Dakota Century Code, relating to powers, duties, and funding for the agriculture in the classroom program and pet food and livestock medicine registration fees; to provide for a transfer of funds; and to provide an expiration date.

ROLL CALL

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

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

NAYS: Fairfield; O'Connell

Reengrossed SB 2009 passed and the title was agreed to.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KRINGSTAD MOVED that the conference committee report on Engrossed HB 1016 as printed on SJ pages 1572-1575 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1016, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1016: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to create and enact a new section to chapter 12-44.1 of the North Dakota Century Code. relating to the incarceration of female inmates in grade one correctional facilities; to provide a statement of legislative intent; to provide for a legislative council study; to provide an exemption to chapters 48-01.1 and 54-44.7 of the North Dakota Century Code, relating to public improvement contract bids and architect, engineer, and lands surveying services; to provide for a performance audit of the department of corrections and rehabilitation; 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: Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nothing; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

Engrossed HB 1016, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

MOTION

SEN. CHRISTMANN MOVED that SB 2009 and HB 1016 be messaged to the House immediately, which motion prevailed.

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

MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1497: Sens. Holmberg; Stenehjem; O'Connell

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2009.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1016.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2016.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2008, SB 2013, SB 2019, SB 2335.

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

MR. PRESIDENT: The Speaker has appointed Rep. Berg to replace Rep. Carlson on the Conference Committee on HB 1497.

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

MR. PRESIDENT: The Speaker has appointed Rep. Boucher to replace Rep. Aarsvold on the Conference Committee on HB 1497.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2010, SB 2030, SB 2154.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 10:30 a.m., which motion prevailed.

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

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. URLACHER MOVED that the Senate do concur in the House amendments to Engrossed SB 2285 as printed on SJ page 1568, which motion prevailed on a voice vote.

Engrossed SB 2285, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2285: A BILL for an Act to amend and reenact section 53-06.2-11 of the North Dakota Century Code, relating to the parimutuel tax levied upon wagers.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 41 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Bercier; Christenson; Every; Fairfield; Krauter

ABSENT AND NOT VOTING: Erbele

Reengrossed SB 2285 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2232: Your conference committee (Sens. Grindberg, Thane, Lindaas and Reps. Svedjan, Berg, Boucher) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1299 and place SB 2232 on the Seventh order.

SB 2232 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. GRINDBERG MOVED that the conference committee report on SB 2232 be adopted, which motion prevailed on a voice vote.

SB 2232, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2232: A BILL for an Act to amend and reenact section 54-17-25 of the North Dakota Century Code, relating to bonds of the student loan trust.

ROLL CALL

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

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

ABSENT AND NOT VOTING: Erbele

Engrossed SB 2232 passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that SB 2232 and SB 2285 be messaged to the House immediately, which motion prevailed.

MOTION

SEN. CHRISTMANN MOVED that Sen. Kringstad replace Sen. Holmberg on the Senate Conference Committee on HB 1011, which motion prevailed.

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2285.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2232.

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

MR. SPEAKER: The President has appointed Sen. Kringstad to replace Sen. Holmberg on the Conference Committee on HB 1011.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2004, SB 2006, SB 2021, SB 2022, SB 2416.

MOTION

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

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

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1019.

REPORT OF CONFERENCE COMMITTEE

HB 1019, as engrossed: Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reps. Carlson, Carlisle, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1475-1480, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1475-1480 of the House Journal and pages 1295-1300 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, after "fund" insert "; to provide an exemption; to establish a trade promotion authority; to provide a continuing appropriation" and replace "budget" with "legislative council"

Page 1, line 3, remove "section"

Page 1, line 4, replace "designate the department of commerce as the state's fiscal" with "create and enact a new section to chapter 15-10 and a new subsection to section 54-59-05 of the North Dakota Century Code, relating to centers of excellence and to wide area network services provided by the information technology department"

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

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

Page 1, line 16, replace "8,442,124" with "8,237,247"

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

Page 1, after line 17, insert:

"Discretionary grants	1,447,127
North Dakota development fund	1,550,000"

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

Page 1, line 19, replace "852,014" with "951,911"

Page 1, line 20, replace "95,361,020" with "68,467,830"

Page 1, line 21, replace "77,534,217" with "52,353,107"

Page 1, line 22, replace "17,826,803" with "16,114,723"

Page 2, replace lines 3 through 6 with:

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

Page 2, remove lines 16 through 18

Page 3, replace lines 4 through 17 with:

"SECTION 9. ACCOUNTABILITY MEASURES - REPORTING. The commissioner of the department of commerce shall monitor and report annually during the 2003-04 interim to either the budget section or an interim committee designated by the legislative council regarding the following North Dakota economic goals and associated benchmarks:

1. Develop unified efforts for economic development based on collaboration and accountability:
 - a. Site selection ranking of the North Dakota department of commerce.
 - b. Share of local economic development organizations participating in statewide marketing strategy.
2. Strengthen cooperation between the university system, economic development organizations, and private businesses:
 - a. Academic research and development expenditures as percentage of gross state product.
 - b. Industry research and development expenditures as percentage of gross state product.
3. Create quality jobs that retain North Dakota's workforce and attract new high-skilled labor:
 - a. Net job growth.
 - b. New private sector businesses per one hundred thousand residents.
 - c. Average annual wage.
 - d. Net migration.
4. Create a strong marketing image that builds on the state's numerous strengths, including workforce, education, and quality of life.
 - a. Positive national and out-of-state media exposure (favorable mentions).
 - b. Number of North Dakota department of commerce web site hits per month.
 - c. Number of leads generated by the North Dakota department of commerce.

5. Accelerate job growth in sustainable, diversified industry clusters to provide opportunities for the state's economy:
 - a. Net job growth in manufacturing.
 - b. Net job growth in business services.
 - c. New private sector businesses in manufacturing.
 - d. New private sector businesses in business services.
 - e. Number of utility patents per one hundred thousand residents.
6. Strengthen North Dakota's business climate to increase international competitiveness:
 - a. Gross state product (annual growth rate).
 - b. Venture capital investments (thousands).
 - c. Merchandise export value (per capita).

The department, in cooperation with job service North Dakota, the department of human services, and the university system, shall include in its report the number of individuals trained and the number who became employed as a result of each department's workforce development and training programs, including the state's investment, the areas of occupational training, the average annual salary of those employed, and the average increase in earnings twelve months after completion of training.

SECTION 10. TOURISM DIVISION - LEWIS AND CLARK MARKETING.

Notwithstanding the provisions of Senate Bill No. 2337, as approved by the fifty-eighth legislative assembly, the department of commerce shall use the \$2,900,000 appropriated in Senate Bill No. 2337, only for defraying the tourism division's expenses of marketing the Lewis and Clark bicentennial celebration for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. TOURISM DIVISION - LEWIS AND CLARK MARKETING CONTRACTS. The tourism division of the department of commerce shall request bids for each Lewis and Clark bicentennial-related marketing campaign developed during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 12. TOURISM DIVISION - REPORTING. The department of commerce shall provide a report to the appropriations committees of the fifty-ninth legislative assembly regarding the tourism division's appropriations and expenditures to date detail for the biennium beginning July 1, 2003, and ending June 30, 2005."

Page 3, line 27, replace "grants" with "Lewis and Clark bicentennial"

Page 3, line 28, replace "\$100,000" with "\$150,000"

Page 4, line 1, after "The" insert "discretionary"

Page 4, replace lines 5 through 8 with:

"SECTION 17. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING.

The discretionary grants line item in section 1 of this Act includes \$200,000 from the general fund for the purpose of contracting with a private organization for conducting a marketing and image-building campaign for the Red River valley research corridor during the second year of the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 18. FORT ABRAHAM LINCOLN GRANT. The Lewis and Clark bicentennial line item in section 1 of this Act includes \$150,000 from the general fund for the tourism division for the purpose of providing a grant to the fort Abraham Lincoln foundation for costs associated with the national guard reconstruction of the seventh cavalry stable, interpretation of the stable, and maintenance and repairs of other fort buildings, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 19. DEVELOPMENT FUND - CENTERS OF EXCELLENCE GRANTS. Notwithstanding chapter 10-30.5, the department of commerce shall provide

a grant from the development fund of \$1,250,000 to the North Dakota state university center for technology enterprise and of \$800,000 to the university of North Dakota center for innovation. The department shall provide the grant on October 1, 2003.

SECTION 20. LEGISLATIVE INTENT - INTERNSHIP PROGRAM. It is the intent of the legislative assembly that the department of commerce workforce development division develop an internship program involving its internet web site and in conjunction with North Dakota university system programs.

SECTION 21. TRADE PROMOTION AUTHORITY - REPORT TO FIFTY-NINTH LEGISLATIVE ASSEMBLY. The department of commerce shall establish a trade promotion authority for promoting North Dakota products and improving international trade of North Dakota products for the biennium beginning July 1, 2003, and ending June 30, 2005. The department shall use \$75,000 from the general fund appropriated in the operating expenses line item in section 1 of this Act for operating costs of the authority for the 2003-05 biennium. The department shall report to the appropriations committees of the fifty-ninth legislative assembly regarding its recommendations to improve trade of North Dakota products with other countries and to overcome trade barriers and its recommendation regarding continuation of the trade promotion authority.

SECTION 22. GIFTS, GRANTS, AND OTHER INCOME - CONTINUING APPROPRIATION. The department of commerce may accept gifts, grants, or other income for use by the trade promotion authority which are hereby appropriated for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 23. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Centers of excellence.

1. The state board of higher education shall establish a centers of excellence program relating to economic development consistent with the purpose under subsection 2. The board shall designate centers of excellence. A designation by the board of a center of excellence within the economic development category does not preclude the board or a higher education institution from designating a center of excellence in an academic or service area. Centers of excellence relating to economic development include the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation.

Before January 1, 2004, the board, in consultation with the North Dakota economic development foundation and with private sector input, shall establish definitions and eligibility criteria for centers of excellence relating to economic development. The board shall present the definitions and eligibility criteria for the centers of excellence relating to economic development to an interim committee designated by the legislative council. The North Dakota economic development foundation may identify and recommend high priority centers of excellence relating to economic development for consideration by the state board of higher education for future budget requests.

2. The purpose of the program is to develop and engage strategies for science and technology research and development, commercialization, entrepreneurship, infrastructure, growth and expansion of knowledge-based industries, and activities in the state to develop innovative approaches that expand the gross state product; to assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in growth clusters most likely to increase the gross state product; to increase collaboration among state, federal, and private research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced

manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.

3. The state board of higher education shall allocate funds from appropriations for undesignated centers of excellence relating to economic development based on the criteria established and shall report on such allocations, in partnership with the North Dakota economic development foundation, to the budget section. A recipient of funds under this section shall use the funds to enhance capacity, enhance infrastructure, and leverage state, federal, and private sources of funding. Funds awarded under this section may not be used to supplant funding for current operations or academic instruction or to pay indirect costs. The board may award funds under this section to research universities, university-related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry clusters that will contribute to the gross state product. A recipient of funds under this section which is an institution of higher education under the control of the board of higher education or which is a nonprofit university-related foundation shall:
- a. Provide the board of higher education with documentation of the availability of two dollars of matching funds for each dollar of funds awarded under this section as a condition of eligibility for receipt of funds under this section; and
 - b. Provide the board of higher education, governor, and North Dakota economic development foundation with annual reports for four fiscal years following receipt of the funds.

SECTION 24. A new subsection to section 54-59-05 of the North Dakota Century Code is created and enacted as follows:

Notwithstanding subsection 11, the department may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education."

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

Page 4, line 18, remove "hundred"

Page 5, overstrike lines 5 and 6

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

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

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

Page 5, line 25, replace "16" with "25"

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Department of Commerce - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340	\$6,713,340	
Operating expenses	8,842,124	8,442,124	(204,877)	8,237,247	8,442,223	(\$204,976)
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026	46,585,026	
Agricultural Products	6,770,557	5,483,385	(2,500,206)	2,983,179	2,983,179	
Utilization Commission						
Lewis and Clark	853,147	852,014	99,897	951,911	851,911	100,000

Bicentennial Discretionary grants North Dakota Development Fund			1,447,127 1,550,000	1,447,127 1,550,000	1,647,127 2,000,000	(200,000) (450,000)
Total all funds	\$71,289,250	\$95,361,020	(\$26,893,190)	\$68,467,830	\$69,222,806	(\$754,976)
Less estimated income	<u>55,759,805</u>	<u>77,534,217</u>	<u>(25,181,110)</u>	<u>52,353,107</u>	<u>51,954,482</u>	<u>398,625</u>
General fund	\$15,529,445	\$17,826,803	(\$1,712,080)	\$16,114,723	\$17,268,324	(\$1,153,601)
FTE	57.00	57.00	0.00	57.00	57.00	0.00

Dept. 601 - Department of Commerce - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	ADDS ADMINISTRATIVE FUNDING 3	REMOVES CONSOLIDATION OF WORKFORCE PROGRAMS 4	REMOVES FUNDING FOR INTERNSHIP PROGRAMS 5	REMOVES FUNDING FOR ETHANOL INCENTIVES 6
Salaries and wages	(\$5,573)					
Operating expenses		(\$24,877)	\$20,000			
Grants				(\$25,032,431)	(\$1,000,000)	
Agricultural Products Utilization Commission	(206)					(\$2,500,000)
Lewis and Clark Bicentennial Discretionary grants North Dakota Development Fund	(103)					
Total all funds	(\$5,882)	(\$24,877)	\$20,000	(\$25,032,431)	(\$1,000,000)	(\$2,500,000)
Less estimated income	<u>(1,540)</u>			<u>(22,679,570)</u>		<u>(2,500,000)</u>
General fund	(\$4,342)	(\$24,877)	\$20,000	(\$2,352,861)	(\$1,000,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	CREATES A SEPARATE LINE ITEM FOR DISCRETIONARY GRANTS 7	ADDS FUNDING FOR DISCRETIONARY GRANTS 8	ADDS FUNDING FOR FEASIBILITY STUDY 9	ADDS FUNDING FOR MARKETING 10	ADDS FUNDING FOR DEVELOPMENT FUND 11	REDUCES OPERATING FUNDING 12
Salaries and wages						
Operating expenses						(\$100,000)
Grants	(\$1,247,127)					
Agricultural Products Utilization Commission						
Lewis and Clark Bicentennial Discretionary grants North Dakota Development Fund	1,247,127	\$150,000	\$50,000	\$200,000	\$1,550,000	
Total all funds	\$0	\$150,000	\$50,000	\$200,000	\$1,550,000	(\$100,000)
Less estimated income						
General fund	\$0	\$150,000	\$50,000	\$200,000	\$1,550,000	(\$100,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REDUCES FUNDING FOR TOURISM MARKETING 13	CHANGES GRANTS FUNDING 14	ADDS FUNDING FOR GRANTS 15	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				(\$5,573)
Operating expenses	(\$100,000)			(204,877)
Grants				(27,279,558)
Agricultural Products Utilization Commission				(2,500,206)
Lewis and Clark Bicentennial Discretionary grants North Dakota Development Fund	(200,000)	\$200,000	\$100,000	99,897
Total all funds	(\$300,000)	\$0	\$100,000	(\$26,893,190)
Less estimated income				<u>(25,181,110)</u>
General fund	(\$300,000)	\$0	\$100,000	(\$1,712,080)
FTE	0.00	0.00	0.00	0.00

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

2 This amendment reduces funding for information technology by \$24,877 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

3 The operating expenses line item is increased by \$20,000 for administrative costs of the department.

4 The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. The Senate also removed this section. As a result, funding added by the House for the following programs is removed:

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

5 Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the Workforce Development Division develop a streamlined internship program involving its web site and in conjunction with University System efforts. The Senate also made these changes.

6 Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222, which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments. The Senate also made these changes.

7 Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium. The Senate also made these changes.

8 The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium. The Senate also made these changes.

9 Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state, the same as the Senate version.

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

11 Funding is added for the Development Fund. The House did not provide any additional funding for the Development Fund and the Senate provided \$2 million of funding for the Development Fund.

12 The operating expenses line item is reduced by \$100,000 from the general fund relating to reductions in funding for professional services (\$70,000) and travel (\$30,000).

13 Funding for tourism marketing is reduced by \$300,000, \$200,000 of which relates to Lewis and Clark marketing and \$100,000 to general marketing.

14 Funding for the \$100,000 grant for the Lewis and Clark Interpretive Center in Washburn added by the House and included in the Senate version and the \$100,000 grant for Fort Lincoln added by the Senate is moved from the discretionary grants line item to the Lewis and Clark Bicentennial line item.

15 The Lewis and Clark line item is increased by \$100,000 from the general fund to increase the grant specified for the Lewis and Clark Interpretive Center in Washburn by \$50,000, to \$150,000 and to increase the grant specified for Fort Lincoln by \$50,000, to \$150,000.

The Conference Committee amendment includes the section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakota tourist attractions. The Senate had removed this section.

A section is added providing that the department use \$150,000 of the Lewis and Clark Bicentennial line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings. The Senate version provided for a \$100,000 grant.

The section added by the House providing that the department provide a grant to the Lewis and Clark Interpretive Center in Washburn is changed to increase the grant to \$150,000. The House and Senate versions provided that the grant be for \$100,000.

The section added by the House precluding the department from spending funding to support the New Economy Initiative is removed, the same as the Senate version.

The House reduced the operating expenses of the research, business development, and marketing programs of the Division of Economic Development and Finance by \$200,000 from the general fund. The Conference Committee changes this reduction to allow the department to determine the specific areas of the department's budget to reduce.

This amendment provides that the administrative costs of the Development Fund be paid from the Development Fund, the same as the House version. The executive budget and the Senate version provided that these costs be paid from the general fund.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department, which the Senate removed, is changed to provide for specific benchmark reporting to either the Budget Section or another interim committee designated by the Legislative Council.

Three new sections are added providing that the \$2.9 million appropriated to the Tourism Division in Senate Bill No. 2337 be used exclusively for marketing the Lewis and Clark Bicentennial celebration, that the Tourism Division request bids for each Lewis and Clark Bicentennial-related marketing campaign developed during the 2003-05 biennium, and that the Department of Commerce provide detailed reports to the Appropriations Committees of the 2005 Legislative Assembly regarding the Tourism Division's appropriations and expenditures.

A section is added providing for the establishment of a trade promotion authority for the 2003-05 biennium and providing that the department use \$75,000 of its operating expenses line item for operating costs of the authority. In addition, a section is added authorizing the department to spend gifts, grants, or other income received for use by the trade promotion authority, pursuant to a continuing appropriation for the 2003-05 biennium.

The section added by the Senate providing a continuing appropriation for moneys collected from the NDhasjobs.com Internet web site is not included in the Conference Committee amendment.

A section is added authorizing the Information Technology Department to provide wide area network services for up to four years to an occupant of a higher education-related technology park or business incubator.

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

Sections are added creating a Centers of Excellence program within the University System and identifying the NDSU Center for Technology Enterprise and the UND Center for Innovation as Centers of Excellence. The Senate established the program in the Department of Commerce and identified six entities as Centers of Excellence.

A section is added providing that as of October 1, 2003, the Development Fund provide \$1,250,000 to the NDSU Center for Technology Enterprise and \$800,000 to the UND Center for Innovation. The Senate had provided that the NDSU Center for Technology Enterprise receive a \$1,500,000 grant, and the UND Center for Innovation receive a \$1,000,000 grant.

Engrossed HB 1019 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. GRINDBERG MOVED that the conference committee report on Engrossed HB 1019 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1019, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1019: A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide for a transfer to the general fund; to provide an exemption; to establish a trade promotion authority; to provide a continuing appropriation; to provide for a report to the legislative council; to provide statements of legislative intent; to direct the state tax commissioner to audit the ethanol incentive program; to create and enact a new section to chapter 15-10 and a new subsection to section 54-59-05 of the North Dakota Century Code, relating to centers of excellence and to wide area network services provided by the information technology department; to amend and reenact section 57-38.5-03 of the North Dakota Century Code, relating to the seed capital investment tax credit; 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, 4 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Fairfield; Lyson; Mutch; Nichols

ABSENT AND NOT VOTING: Heitkamp

Engrossed HB 1019, as amended, passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1019.

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

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1001, HB 1002, HB 1004, HB 1007, HB 1016, HB 1017, HB 1018, HB 1020, HB 1021, HB 1023.

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

MR. PRESIDENT: The Speaker has signed: SB 2005, SB 2010, SB 2017, SB 2020, SB 2030, SB 2154.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 24, 2003, I have signed the following: SB 2033, SB 2065, SB 2135, SB 2190, SB 2248, SB 2249, SB 2345, SB 2358, SB 2403, and SB 2418.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 3:30 p.m., which motion prevailed.

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

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1022.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1497.

REPORT OF CONFERENCE COMMITTEE

HB 1022, as engrossed: Your conference committee (Sens. Schobinger, Christmann, Robinson and Reps. Skarphol, Svedjan, Glasheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1504-1507, adopt amendments as follows, and place HB 1022 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1504-1507 of the House Journal and pages 1331-1335 of the Senate Journal and that Engrossed House Bill No. 1022 be amended as follows:

Page 1, line 2, replace "state auditor" with "judicial branch"

Page 1, line 3, replace "a" with "centralization of information technology equipment, software, and supplies purchasing; to provide for a technology critical needs pool; to provide for a legislative council study"

Page 1, line 4, remove "general fund transfer; to provide legislative intent"

Page 1, line 5, after "54-10" insert ", a new section to chapter 54-35, a new subsection to section 54-44.4-02, a new section to chapter 54-59," replace "a" with "two", and replace "subsection" with "subsections"

Page 1, line 6, after "auditor" insert ", information technology committee responsibilities, purchasing services,"

Page 1, line 7, replace "wide area network service" with "powers and duties", replace "section" with "sections", and after "54-59-02" insert ", 54-59-05, and 54-59-09"

Page 1, line 8, after "department" insert "and information technology standards"

Page 1, line 18, replace "25,736,848" with "25,715,694"

Page 1, line 21, replace "5,598,014" with "5,625,480"

Page 1, line 22, replace "764,028" with "793,818"

Page 1, line 23, replace "2,674,003" with "2,540,348"

Page 1, line 24, replace "7,536,689" with "7,436,223"

Page 2, line 2, replace "687,314" with "678,343"

Page 2, line 3, replace "1,286,738" with "1,337,138"

Page 2, line 5, replace "107,468,694" with "107,312,104"

Page 2, line 6, replace "93,679,908" with "99,117,301"

Page 2, line 7, replace "13,788,786" with "8,194,803"

Page 2, after line 7, insert:

"SECTION 2. ESTIMATED INCOME - SPECIAL FUNDS TRANSFERS. The estimated income line item in section 1 of this Act includes \$862,059 from the special funds of various state agencies resulting from information technology reductions, for the biennium beginning July 1, 2003, and ending June 30, 2005. Notwithstanding any other provisions of law, the office of management and budget shall transfer to the information technology department the following amounts available from the special funds of the agencies listed, for the biennium beginning July 1, 2003, and ending June 30, 2005.

AGENCY	AMOUNT
State department of health	\$11,108
Aeronautics commission	6,942
Veterans' home	6,046
Department of financial institutions	7,881
Highway patrol	9,450
Department of transportation	350,000
Industrial commission	4,034
Bank of North Dakota	300,000
Housing finance agency	24,080
Mill and elevator association	23,230
Department of corrections and rehabilitation	24,567
Office of administrative hearings	4,311
Secretary of state	19,550
Attorney general	12,929
State auditor's office	1,465
Department of agriculture	1,329
Insurance commissioner	37,368
Vision services - school for the blind	2,725
Seed department	10,050
Parks and recreation department	4,994
Total	\$862,059

SECTION 3. APPROPRIATION AUTHORITY - REDUCTIONS. The office of management and budget shall reduce the special funds appropriation authority for the aeronautics commission, the department of financial institutions, the insurance commissioner, and the seed department, for the biennium beginning July 1, 2003, and ending June 30, 2005, by the amounts listed in section 2 of this Act relating to information technology reductions. The amounts will be available in the special funds for transfer as provided in section 2 of this Act."

Page 2, line 8, after "**PURPOSES**" insert "**- APPROPRIATION**"

Page 2, line 9, after "arrange" insert "through the issuance of evidences of indebtedness under chapter 54-17.2 from the effective date of this Act and ending June 30, 2005,"

Page 2, line 10, replace "\$16,400,000" with "\$20,000,000 to be loaned to the information technology department" and after "the" insert "purchase or lease of computer hardware and software and for the costs of the implementation services for the"

Page 2, line 11, replace ", which" with ". ConnectND" and replace ", through the" with "and is for the purpose of this Act, a project as that term is defined in chapter 54-17.2."

Page 2, remove line 12

Page 2, line 13, remove "and ending June 30, 2003."

Page 2, line 15, after the second comma insert "may be used"

Page 2, line 16, replace "include" with ", debt service repayment, and" and after "of" insert "ConnectND"

Page 2, line 18, after the period insert "For purposes of this Act, loan or debt service repayments are equivalent to lease rental payments as that term is used in chapter 54-17.2. ConnectND student fee revenues and other available funds are appropriated to the North Dakota university system for the North Dakota university system's share of the ConnectND project costs, debt service repayment, refunding of ConnectND interim borrowings, and other costs incidental to ConnectND implementation."

Page 2, line 20, replace "July" with "June"

Page 2, line 27, replace "funds" with "charges", replace "available" with "and collected", and replace "higher education institutions" with "information technology department from users of the system with twenty-nine percent of the debt service being the responsibility of state agencies and seventy-one percent of the debt service being the responsibility of higher education"

Page 2, replace lines 28 through 30 with:

"SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$45,999, or so much of the sum as may be necessary, to the judicial branch for the purpose of defraying costs associated with information technology, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. INFORMATION TECHNOLOGY EQUIPMENT, SOFTWARE, AND SUPPLIES PURCHASING CENTRALIZATION - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE. No executive branch state agency, department, or institution, excluding institutions under control of the state board of higher education, may purchase any information technology equipment, software, or supply item with a cost greater than five hundred dollars without using the centralized purchasing services of the information technology department during the biennium beginning July 1, 2003, and ending June 30, 2005. The information technology department shall charge a ten percent purchasing fee on all purchases made under the centralized purchasing services program. The fee may only be paid with funds from the general fund or special funds derived from sources other than pension or federal funds. The first \$1,000,000 of the fee collections must be deposited in the information technology operating account, and the remaining fee collection must be deposited in an information technology critical needs pool established by the department for addressing critical information technology needs. The chief information officer may waive the purchasing fee to address unique situations. The information technology department shall provide periodic reports to the information technology committee regarding the bidding of information technology equipment, software, and supplies.

SECTION 8. TECHNOLOGY CRITICAL NEEDS POOL - APPROPRIATION - BUDGET SECTION APPROVAL. The funding in the information technology critical needs pool established in section 7 of this Act is appropriated to the information technology department for the biennium beginning July 1, 2003, and ending June 30, 2005, for addressing executive branch state agencies, departments, and institutions, excluding institutions under the control of the state board of higher education, critical information technology needs. Executive branch state agencies, departments, and institutions, excluding institutions under control of the state board of higher education, requesting critical needs funding shall submit a written request detailing the purpose

and need for the funding to the chief information officer of the information technology department. Requests approved by the information technology department must be forwarded to the office of management and budget which shall transfer funding from the critical needs pool to agencies, departments, and institutions upon approval of the request by the budget section, which is hereby appropriated.

SECTION 9. TRANSFER OF APPROPRIATION AUTHORITY BETWEEN LINE ITEMS. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items for state agencies, departments, and institutions as may be requested to accommodate information technology funding reductions made by the fifty-eighth legislative assembly. The office of management and budget shall report to the budget section regularly on transfers made pursuant to this section.

SECTION 10. INFORMATION TECHNOLOGY LEGISLATIVE COUNCIL STUDY - APPROPRIATION - REPORTS TO THE BUDGET SECTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the legislative council for the biennium beginning July 1, 2003, and ending June 30, 2005, for the purpose of contracting with consultants to conduct an information technology organizational study and an information technology management study and to provide assistance with the preparation of the request for proposals and consultant oversight. The studies must be completed by October 1, 2003, and periodic progress reports on the status of the studies must be provided to the information technology committee. The information technology committee may extend the October 1, 2003, deadline as it deems appropriate. A final report must be presented to the budget section upon completion of the studies.

The information technology organizational study must include a review and identification of:

1. The cost and benefits of a centralized information technology structure and the cost and benefits of a decentralized information technology structure.
2. The cost of providing electronic mail administration, file and print server administration, seat management and desktop personal computer support, mainframe and distributed computing hosting services, consolidated storage management and disaster recovery, and software development.
3. The roles and responsibilities of agency personnel providing information technology services under a centralized information technology structure and a decentralized information technology structure.
4. The positions and competencies needed by the information technology department to provide the information technology services on a centralized basis, including the organizational changes required within the department to provide the centralized services.
5. The human resource management issues, including change management, training, and employee compensation, to be addressed for a successful centralization.
6. The adequacy and quality of the services as currently provided and proper performance measures.
7. The comparison of current costs to industry data and data from other states.
8. Information technology services appropriate to be performed by individual agencies.
9. A plan to either centralize or decentralize the services identified, including the reorganization tasks, personnel transfers, and the changes required for information technology budgeting and cost allocation processes.

The information technology management study must include a review of:

1. The technology management processes of other states and private industry with respect to prioritizing state agency information technology

budget requests, establishing information technology standards and policies, and overseeing information technology expenditures.

2. The role of other states in providing information technology services to nonstate government entities.
3. The level of information technology outsourcing in other state governments and the private sector and the applicability to the state of North Dakota.
4. The trends that will impact technology deployment and spending in the next five to ten years.
5. The level of coordination in the management of enterprise initiatives, such as the state wide area network, the enterprise resource planning system initiative, the geographic information systems initiative, and the criminal justice information sharing initiative, compared to other states, including a recommendation regarding the appropriate governance structure to provide the maximum benefits to the state.
6. The potential changes to the organizational structure of the information technology department and other state government entities as related to information technology."

Page 3, remove lines 1 through 24

Page 3, line 28, after "reviews" insert ", as determined necessary by the information technology committee,"

Page 4, after line 12, insert:

"SECTION 12. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Information technology committee - Information technology reviews. The information technology committee may request the state auditor to conduct an information technology compliance review. The review may consist of an audit of an agency's information technology management, information technology planning, compliance with information technology plans, and compliance with information technology standards and policies or an audit of statewide compliance with specific information technology standards and policies.

SECTION 13. A new subsection to section 54-44.4-02 of the North Dakota Century Code is created and enacted as follows:

Information technology equipment, software, and supply items with a cost greater than five hundred dollars as provided in section 54-59-05.

SECTION 14. A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

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

of critical systems, the department shall review the proposed purchase and approve of the purchase."

Page 4, line 28, replace "A" with "Two" and replace "subsection" with "subsections"

Page 4, line 29, replace "is" with "are"

Page 5, line 1, replace "services" with "service"

Page 5, line 2, after "entity" insert "except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003. The department shall file with the state auditor before September 1, 2003, a description of the wide area network service the department provided to each private, charitable, and nonprofit entity receiving services from the department on January 1, 2003" and after the underscored period insert:

"Shall purchase information technology equipment, software, and supply items with a cost greater than five hundred dollars on behalf of other state agencies, departments, and institutions, excluding institutions under control of the state board of higher education, and may charge a purchasing fee of ten percent for such purchases.

SECTION 17. AMENDMENT. Section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

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

1. Shall provide, supervise, and regulate information technology of all executive branch state entities, excluding the institutions under the control of the board of higher education.
2. Shall provide network services in a way that ensures the network requirements of a single entity do not adversely affect the functionality of the whole network, facilitates open communications with the citizens of the state, minimizes the state's investment in human resources, accommodates an ever-increasing amount of traffic, supports rapid detection and resolution of problems, protects the network infrastructure from damage and security breaches, provides for the aggregation of data, voice, video, and multimedia into a statewide transport mechanism or backbone, and provides for the network support for the entity to carry out its mission.
3. May review and approve additional network services that are not provided by the department.
4. May purchase, finance the purchase, or lease equipment or software or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of three years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the budget section of the legislative council before executing a financing agreement. If the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed the amount appropriated to the department during that biennium for equipment.
5. Each executive branch agency or institution, ~~except~~ excluding the institutions under the control of the board of higher education, shall submit to the department, in accordance with guidelines established by the department, a written request for the lease, purchase, or other contractual acquisition of information technology. The department shall review requests for conformance with the requesting entity's information technology plan and compliance with statewide policies and standards. If the request is not in conformance or compliance, the department may

disapprove the request or require justification for the departure from the plan or statewide policy or standard.

- 5: 6. Shall provide information technology, including assistance and advisory service, to the executive, legislative, and judicial branches. If the department is unable to fulfill a request for service from the legislative or judicial branch, the information technology may be procured by the legislative or judicial branch within the limits of legislative appropriations.
- 6: 7. ~~May~~ Shall request information on or review information technology, applications, system development projects, and application development projects of executive branch agencies.
- 7: 8. Shall study emerging technology and evaluate its impact on the state's system of information technology.
- 8: 9. Shall develop guidelines for reports to be provided by each executive branch agency, institution, or department, the institutions under the control of the board of higher education, and agencies of the judicial and legislative branches on information technology in those entities.
- 9: 10. Shall review the information technology management of executive branch agencies or institutions, ~~including institutions under the control of the board of higher education as provided in section 54-59-13.~~
- 40: 11. Shall perform all other duties necessary to carry out this chapter.

SECTION 18. AMENDMENT. Section 54-59-09 of the North Dakota Century Code is amended and reenacted as follows:

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

Page 5, line 6, replace "2" with "4, 5," and replace "3" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1022 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Information Technology Department						
Total all funds	\$108,189,267	\$107,468,694	(\$156,590)	\$107,312,104	\$107,154,065	\$158,039
Less estimated income	97,581,730	93,679,908	5,437,393	99,117,301	97,255,242	1,862,059
General fund	\$10,607,537	\$13,788,786	(\$5,593,983)	\$8,194,803	\$9,898,823	(\$1,704,020)
State Auditor						
Total all funds	\$0	\$197,000	(\$197,000)	\$0	\$0	\$0
Less estimated income						
General fund	\$0	\$197,000	(\$197,000)	\$0	\$0	\$0
Legislative Council						
Total all funds	\$0	\$98,000	\$252,000	\$350,000	\$0	\$350,000
Less estimated income						
General fund	\$0	\$98,000	\$252,000	\$350,000	\$0	\$350,000
Judicial Branch						
Total all funds	\$0	\$0	\$45,999	\$45,999	\$0	\$45,999
Less estimated income						

General fund	\$0	\$0	\$45,999	\$45,999	\$0	\$45,999
Bill Total						
Total all funds	\$108,189,267	\$107,763,694	(\$55,591)	\$107,708,103	\$107,154,065	\$554,038
Less estimated income	<u>97,581,730</u>	<u>93,679,908</u>	<u>5,437,393</u>	<u>99,117,301</u>	<u>97,255,242</u>	<u>1,862,059</u>
General fund	\$10,607,537	\$14,083,786	(\$5,492,984)	\$8,590,802	\$9,898,823	(\$1,308,021)

House Bill No. 1022 - Information Technology Department - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$26,012,849	\$25,736,848	(\$21,154)	\$25,715,694	\$25,699,374	\$16,320
Operating expenses	33,120,860	33,120,860		33,120,860	33,117,659	3,021
Capital assets	5,323,000	5,323,000		5,323,000	5,323,000	
Division of Independent Study	5,667,842	5,598,014	27,466	5,625,480	5,591,472	34,008
Educational Technology Council	796,655	764,028	29,790	793,818	731,952	61,866
EduTech	2,674,003	2,674,003	(133,655)	2,540,348	2,567,043	(26,695)
Wide area network	7,799,623	7,536,689	(100,466)	7,436,223	7,386,662	49,561
Enterprise resource planning system	20,000,000	20,000,000		20,000,000	20,000,000	
Geographic information system	716,097	687,314	(8,971)	678,343	658,565	19,778
Prairie Public Broadcasting	1,337,138	1,286,738	50,400	1,337,138	1,337,138	
Criminal justice information sharing	4,741,200	4,741,200		4,741,200	4,741,200	
Total all funds	\$108,189,267	\$107,468,694	(\$156,590)	\$107,312,104	\$107,154,065	\$158,039
Less estimated income	<u>97,581,730</u>	<u>93,679,908</u>	<u>5,437,393</u>	<u>99,117,301</u>	<u>97,255,242</u>	<u>1,862,059</u>
General fund	\$10,607,537	\$13,788,786	(\$5,593,983)	\$8,194,803	\$9,898,823	(\$1,704,020)
FTE	248.20	248.20	0.00	248.20	248.20	0.00

Dept. 112 - Information Technology Department - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	RESTORES FUNDING FROM THE GENERAL FUND 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	CHANGES FUNDING SOURCE RELATING TO ERP SYSTEM INITIATIVE 4	CHANGES FUNDING SOURCE RELATING TO INFORMATION TECHNOLOGY REDUCTIONS 5
Salaries and wages	(\$21,154)				
Operating expenses					
Capital assets					
Division of Independent Study	(4,534)	\$32,000			
Educational Technology Council	(210)	30,000			
EduTech			(\$133,655)		
Wide area network	(210)	260,400	(360,656)		
Enterprise resource planning system					
Geographic information system	(105)	27,200	(36,066)		
Prairie Public Broadcasting		50,400			
Criminal justice information sharing					
Total all funds	(\$26,213)	\$400,000	(\$530,377)	\$0	\$0
Less estimated income	<u>(24,666)</u>			<u>3,600,000</u>	<u>862,059</u>
General fund	(\$1,547)	\$400,000	(\$530,377)	(\$3,600,000)	(\$862,059)
FTE	0.00	0.00	0.00	0.00	0.00

	CHANGES FUNDING SOURCE RELATING TO CENTRALIZING INFORMATION TECHNOLOGY PURCHASES 6	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$21,154)
Operating expenses		
Capital assets		
Division of Independent Study		27,466
Educational Technology Council		29,790
EduTech		(133,655)
Wide area network		(100,466)
Enterprise resource planning system		
Geographic information system		(8,971)
Prairie Public Broadcasting		50,400
Criminal justice information sharing		
Total all funds	\$0	(\$156,590)
Less estimated income	<u>1,000,000</u>	<u>5,437,393</u>

General fund	(\$1,000,000)	(\$5,593,983)
FTE	0.00	0.00

- 1 This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.
- 2 This amendment restores funding from the general fund for the following line items relating to reductions made by the House: Educational Technology Council (\$30,000), wide area network (\$260,400), geographic information system (\$27,200), Prairie Public Broadcasting (\$50,400), and the Division of Independent Study (\$32,000).
- 3 This amendment reduces funding for information technology by \$530,377 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.
- 4 This amendment changes the funding source for the enterprise resource planning system initiative (ConnectND) from \$3.6 million from the general fund and \$16.4 million from special funds (revenue bond proceeds or other available sources) to \$20 million of special funds (revenue bond proceeds), as recommended in the executive budget. The amendment also provides that the revenue bond repayment responsibility is 29 percent state agencies and 71 percent higher education.
- 5 This amendment increases funding for the Information Technology Department from special funds by \$862,059 and decreases funding for the department from the general fund by \$862,059. The increase in special funds is available from various state agency information technology reductions.
- 6 This amendment provides a \$1 million funding source change from the general fund to special funds for total funding for the Information Technology Department relating to the purchasing fee to be assessed by the department on all purchases made under the purchasing centralization.

This amendment also:

- Removes the section of the bill providing for a \$3 million transfer to the state general fund from the student loan trust fund.
- Adds a section providing for the centralization of information technology equipment, software, and supply purchases with a cost greater than \$500 with the Information Technology Department charging a 10 percent purchasing fee on all purchases made under the centralization.
- Adds a section providing for a technology critical needs pool for addressing state agencies, departments, and institutions critical information technology needs.
- Adds a section providing agencies, departments, and institutions the authority to transfer between line items to accommodate information technology reductions.
- Amends Section 10 of the bill relating to information technology responsibilities of the State Auditor.
- Adds a new section to North Dakota Century Code (NDCC) Chapter 54-35 relating to powers and duties of the Information Technology Committee.
- Adds a new subsection to NDCC Section 54-44.4-02 relating to purchasing services.
- Adds a new section to NDCC Chapter 54-49 relating to information technology standards.
- Amends NDCC Section 54-59-05 relating to the powers and duties of Information Technology Department.
- Amends NDCC Section 54-59-09 relating to information technology standards.

House Bill No. 1022 - State Auditor - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Information technology audits		\$197,000	(\$197,000)	\$0		\$0
Total all funds	\$0	\$197,000	(\$197,000)	\$0	\$0	\$0
Less estimated income						
General fund	\$0	\$197,000	(\$197,000)	\$0	\$0	\$0
FTE	0.00	2.00	(2.00)	0.00	0.00	0.00

Dept. 117 - State Auditor - Detail of Conference Committee Changes

REMOVES FUNDING FOR INFORMATION	TOTAL CONFERENCE
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	TECHNOLOGY AUDITS ¹	COMMITTEE CHANGES
Information technology audits	(\$197,000)	(\$197,000)
Total all funds	(\$197,000)	(\$197,000)
Less estimated income		
General fund	(\$197,000)	(\$197,000)
FTE	(2.00)	(2.00)

¹ This amendment removes funding provided to the State Auditor for the purpose of defraying costs associated with employing two information technology auditors.

House Bill No. 1022 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages						
Information technology analysis		\$98,000	(\$98,000)			
Information technology study			350,000	\$350,000		\$350,000
Total all funds	\$0	\$98,000	\$252,000	\$350,000	\$0	\$350,000
Less estimated income						
General fund	\$0	\$98,000	\$252,000	\$350,000	\$0	\$350,000
FTE	0.00	1.00	(1.00)	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	REMOVES FUNDING FOR INFORMATION TECHNOLOGY ANALYSIS ¹	PROVIDES FUNDING FOR INFORMATION TECHNOLOGY STUDY ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Information technology analysis	(\$98,000)		(\$98,000)
Information technology study		\$350,000	350,000
Total all funds	(\$98,000)	\$350,000	\$252,000
Less estimated income			
General fund	(\$98,000)	\$350,000	\$252,000
FTE	(1.00)	0.00	(1.00)

¹ This amendment removes the general fund appropriation of \$98,000 provided to the Legislative Council for the purpose of employing an information technology analyst and contracting for information technology analysis services.

² This amendment provides a \$350,000 general fund appropriation to the Legislative Council for contracting with consultants to conduct an information technology centralization and an information technology management study.

House Bill No. 1022 - Judicial Branch - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Operating expenses			\$45,999	\$45,999		\$45,999
Total all funds	\$0	\$0	\$45,999	\$45,999	\$0	\$45,999
Less estimated income						
General fund	\$0	\$0	\$45,999	\$45,999	\$0	\$45,999
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 180 - Judicial Branch - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR INFORMATION TECHNOLOGY COSTS ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	\$45,999	\$45,999
Total all funds	\$45,999	\$45,999
Less estimated income		
General fund	\$45,999	\$45,999

FTE

0.00

0.00

¹ This amendment provides a \$45,999 general fund appropriation to the judicial branch for information technology costs.

Engrossed HB 1022 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CHRISTMANN MOVED that the conference committee report on Engrossed HB 1022 be adopted, which motion prevailed on a verification vote.

Engrossed HB 1022, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1022: A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department, the judicial branch, and the legislative council; to authorize the industrial commission to issue and sell evidences of indebtedness for ConnectND; to provide for centralization of information technology equipment, software, and supplies purchasing; to provide for a technology critical needs pool; to provide for a legislative council study; to create and enact a new section to chapter 54-10, a new section to chapter 54-35, a new subsection to section 54-44.4-02, a new section to chapter 54-59, and two new subsections to section 54-59-05 of the North Dakota Century Code, relating to information technology responsibilities of the state auditor, information technology committee responsibilities, purchasing services, and information technology department powers and duties; to amend and reenact sections 54-59-02, 54-59-05, and 54-59-09 of the North Dakota Century Code, relating to responsibilities of the information technology department and information technology standards; to repeal section 54-59-13 of the North Dakota Century Code, relating to information technology reviews; 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 28 YEAS, 19 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Schobinger; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

NAYS: Bercier; Christenson; Espegard; Every; Fairfield; Heitkamp; Krauter; Krebsbach; Lindaas; Mathern; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Seymour; Tallackson; Taylor

Engrossed HB 1022, as amended, passed, the title was agreed to, but the emergency clause lost.

MOTION

SEN. CHRISTMANN MOVED that HB 1497 be placed at the top of the Seventh order, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1497, as engrossed: Your conference committee (Sens. Holmberg, Stenehjem, O'Connell and Reps. Berg, Svedjan, Boucher) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1682, adopt amendments as follows, and place HB 1497 on the Seventh order:

That the Senate recede from its amendments as printed on page 1682 of the House Journal and page 1274 of the Senate Journal and that Engrossed House Bill No. 1497 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of state government performance and accountability.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE COUNCIL STUDY - GOVERNMENT

PERFORMANCE AND ACCOUNTABILITY - APPOINTMENT - ACCEPTANCE OF FUNDS - EXPENDITURES. The legislative council shall consider studying, during the 2003-04 interim, state government performance and accountability practices. The legislative council shall appoint a ten-member government performance and accountability committee in the same manner as the council appoints other interim committees. The council shall appoint at least six legislators to the committee. The council may appoint two citizen members to the committee. The council may also include the governor, or the governor's designee, and an additional executive branch representative as members of the committee. The council shall designate the chairman of the committee. The committee shall operate in accordance with the statutes and procedures governing the operation of other legislative council interim committees. The committee may accept and use gifts, grants, or assistance to accomplish its purposes. The study, if conducted, must include a review of other state's performance budgeting practices and strategic planning efforts and how those practices and efforts may apply to North Dakota and improve North Dakota's budgeting process. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

Engrossed HB 1497 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed HB 1497 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1497, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1497: A BILL for an Act to provide for a legislative council study of state government performance and accountability.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 37 YEAS, 10 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Kringstad; Lee, G.; Lee, J.; Lyson; Nelson; O'Connell; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

NAYS: Erbele; Krebsbach; Lindaas; Mathern; Mutch; Nothing; Nichols; Polovitz; Robinson; Thane

Engrossed HB 1497, as amended, passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1497.

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

MR. PRESIDENT: The Speaker has signed: SB 2004, SB 2006, SB 2021, SB 2022, SB 2416.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 6:00 p.m., which motion prevailed.

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

SENATE INTERIM COMMITTEES

PRESIDENT DALRYMPLE ANNOUNCED the following Senate Interim Committees:

Legislative Council

Sen. Cook
Sen. J. Lee
Sen. Holmberg
Sen. Krebsbach

Sen. Krauter
Sen. Robinson

Capitol Grounds Planning Commission

Sen. Dever
Sen. Bercier

MOTION

SEN. CHRISTMANN MOVED that the Senate stand at ease for a call of the Senate, which motion prevailed.

THE SENATE RECONVENED, with President Dalrymple presiding.

MOTION

SEN. CHRISTMANN MOVED that SB 2012 be placed at the top of the Seventh order, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Bowman, Kilzer, Krauter and Reps. Delzer, Warnke, Kerzman) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1193-1201, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1193-1201 of the Senate Journal and pages 1323-1332 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, after "institutions" insert "; to provide an exception; to provide for legislative council studies" and replace "a statement" with "statements"

Page 1, line 13, replace "11,027,431" with "11,016,285"

Page 1, line 14, replace "34,066,362" with "33,567,188"

Page 1, line 16, replace "2,261,556" with "3,261,556"

Page 1, line 17, replace "47,358,043" with "47,847,723"

Page 1, line 18, replace "33,134,565" with "34,130,107"

Page 1, line 19, replace "14,223,478" with "13,717,616"

Page 1, line 22, replace "22,077,620" with "22,053,781"

Page 1, line 23, replace "38,456,409" with "37,331,409"

Page 2, line 1, replace "288,492,803" with "287,987,203"

Page 2, line 2, replace "890,942,979" with "918,049,664"

Page 2, line 3, replace "1,240,009,483" with "1,265,461,729"

Page 2, line 4, replace "978,141,758" with "957,611,496"

Page 2, line 5, replace "261,867,725" with "307,850,233"

Page 2, replace lines 7 through 21 with:

"MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY

Total general fund appropriation	\$250,000
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NORTHWEST HUMAN SERVICE CENTER

Total all funds	\$7,275,679
Less estimated income	<u>3,645,640</u>
Total general fund appropriation	\$3,630,039

NORTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$14,564,870
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Less estimated income	6,723,674
Total general fund appropriation	\$7,841,196

LAKE REGION HUMAN SERVICE CENTER

Total all funds	\$8,420,933
Less estimated income	3,782,973
Total general fund appropriation	\$4,637,960

NORTHEAST HUMAN SERVICE CENTER

Total all funds	\$19,441,183
Less estimated income	11,444,820
Total general fund appropriation	\$7,996,363

SOUTHEAST HUMAN SERVICE CENTER

Total all funds	\$20,724,542
Less estimated income	11,215,222
Total general fund appropriation	\$9,509,320

SOUTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$11,358,975
Less estimated income	5,731,868
Total general fund appropriation	\$5,627,107

WEST CENTRAL HUMAN SERVICE CENTER

Total all funds	\$17,584,844
Less estimated income	9,121,635
Total general fund appropriation	\$8,463,209

BADLANDS HUMAN SERVICE CENTER

Total all funds	\$8,924,627
Less estimated income	4,558,723
Total general fund appropriation	\$4,365,904

STATE HOSPITAL

Total all funds	\$41,889,561
Less estimated income	16,405,360
Total general fund appropriation	\$25,484,201

DEVELOPMENTAL CENTER

Total all funds	\$40,761,057
Less estimated income	31,949,828
Total general fund appropriation	\$8,811,229
Total all funds - Subdivision 3	\$191,196,271
Total estimated income - Subdivision 3	\$104,579,743
Total general fund appropriation - Subdivision 3	\$86,616,528"

Page 2, line 22, replace "362,336,976" with "409,234,377"

Page 2, line 23, replace "1,114,504,351" with "1,098,446,346"

Page 2, line 24, replace "1,476,841,327" with "1,507,680,723"

Page 2, line 28, replace "health centers" with "entities"

Page 2, line 29, after "services" insert "for the purpose of health center grant application submission"

Page 2, after line 30, insert:

"SECTION 3. APPROPRIATION - LEGISLATIVE INTENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, and

from federal funds, the sum of \$2,125,000 to the department of human services for the purpose of supplementing other appropriations provided for the medical assistance program, the developmental center, the state hospital, and home and community-based services programs for the biennium beginning July 1, 2003, and ending June 30, 2005. It is the intent of the legislative assembly that whenever possible, the department use the general fund moneys appropriated under this section to maximize federal funding for these programs and functions."

Page 3, line 6, replace "\$2,261,556" with "\$3,261,556"

Page 3, replace lines 13 through 23 with:

"SECTION 6. HEALTH CARE TRUST FUND - TRANSFER TO GENERAL FUND. The office of management and budget shall transfer \$35,911,035 from the health care trust fund to the general fund during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this Act, and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2003, and ending June 30, 2005. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2004, any transfers made in excess of \$50,000 and to the appropriations committees of the fifty-ninth legislative assembly regarding any transfers made pursuant to this section.

SECTION 8. FEDERAL TANF BLOCK GRANT PROGRAMS - EXPENDITURE LIMIT. The department of human services shall make the changes necessary to programs utilizing funding from the temporary assistance for needy families (TANF) block grant to provide that by the end of the 2003-05 biennium, the cumulative funding anticipated to be spent for these programs for each fiscal year does not exceed North Dakota's annual federal TANF block grant allocation, including any incentive or bonus grants awarded to North Dakota.

SECTION 9. MEDICAL SERVICES - COPAYMENTS AND SERVICE LIMITS. The department of human services shall establish a six dollar copayment for medical assistance recipients for each emergency room visit that is not designated an emergency service by the medical services provider. The department of human services shall establish other service copayments or limits and make other programmatic changes within the medical services program to operate the program within the funding levels approved by the fifty-eighth legislative assembly for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 10. NURSING HOME RATES - EXCEPTION - DIRECT CARE LIMIT. Notwithstanding subsection 4 of section 50-24.4-10, the department of human services shall establish an eighty-five dollar per diem limit, adjusted for inflation under subsection 5 of section 50-24.4-10, on allowable operating costs for direct care services of nursing facilities for purposes of determining nursing facility payment rates for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. SUPPORTED LIVING ARRANGEMENTS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES - LOCAL MATCHING FUNDS - FUNDING ALLOCATION. The grants - medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the general fund for supported living arrangement services for individuals with developmental disabilities. This funding may be spent only if local or private funding is provided for these services on a dollar-for-dollar matching fund basis. The department shall allocate the funding appropriated for this purpose proportionately to each human service region of the state based on the number of individuals with developmental disabilities seeking supported living arrangement services in each region for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 12. LEGISLATIVE INTENT - VOCATIONAL REHABILITATION - SURVEY TIME PERIOD. It is the intent of the legislative assembly that the department of human services only survey vocational rehabilitation clients who become employed regarding job retention and job satisfaction after three months of employment if allowed under federal regulations for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 13. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICES ADMINISTRATIVE COSTS. The legislative council shall consider studying, during the 2003-04 interim, administrative costs of human service programs, including costs incurred by the central office of the department of human services, human service centers, and county social services. If studied, the legislative council shall review the effects of the 1997 "swap" legislation on state and county human service program costs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 14. LEGISLATIVE COUNCIL STUDY - CHILDREN WITH SPECIAL HEALTH NEEDS. The legislative council shall consider studying, during the 2003-04 interim, programs providing services to children with special health care needs in North Dakota and service needs of these children which are not available under current programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 15. LEGISLATIVE COUNCIL STUDY - MEDICAID ADVISORY COUNCIL. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of establishing an advisory council for the medical assistance program of the department of human services. If studied, the legislative council shall consider including representatives of private health care providers on the advisory council. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 16. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE CONTINUUM. The legislative council shall consider studying, during the 2003-04 interim, North Dakota's long-term care continuum of services, including service delivery methods and payment systems. If studied, the legislative council shall consider the cost-effectiveness of the programs and the appropriateness of rate structures and the nursing home equalized rate policy. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Page 3, line 24, replace "state hospital" with "total all funds" and after "item" insert "for the state hospital"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Management						
Total all funds	\$47,962,467	\$47,358,043	\$489,680	\$47,847,723	\$46,566,374	\$1,281,349
Less estimated income	31,912,324	33,134,565	995,542	34,130,107	34,130,107	
General fund	\$16,050,143	\$14,223,478	(\$505,862)	\$13,717,616	\$12,436,267	\$1,281,349
DHS - Program/Policy						
Total all funds	\$1,247,161,224	\$1,240,059,483	\$25,452,246	\$1,265,511,729	\$1,262,386,729	\$3,125,000
Less estimated income	974,986,069	978,141,758	(20,530,262)	957,611,496	955,486,496	2,125,000
General fund	\$272,175,155	\$261,917,725	\$45,982,508	\$307,900,233	\$306,900,233	\$1,000,000
DHS - State Hospital						
Total all funds	\$44,312,699	\$41,931,048	(\$41,487)	\$41,889,561	\$41,889,561	\$0
Less estimated income	16,405,360	16,405,360		16,405,360	16,405,360	
General fund	\$27,907,339	\$25,525,688	(\$41,487)	\$25,484,201	\$25,484,201	\$0
DHS - Developmental Center						
Total all funds	\$42,148,253	\$40,808,116	(\$47,059)	\$40,761,057	\$40,761,057	\$0
Less estimated income	32,234,480	31,984,652	(34,824)	31,949,828	31,949,828	
General fund	\$9,913,773	\$8,823,464	(\$12,235)	\$8,811,229	\$8,811,229	\$0
DHS - Mental health contingency						
Total all funds	\$250,000	\$250,000	\$0	\$250,000	\$250,000	\$0
Less estimated income						
General fund	\$250,000	\$250,000	\$0	\$250,000	\$250,000	\$0
DHS - Northwest HSC						
Total all funds	\$7,331,947	\$7,280,942	(\$5,263)	\$7,275,679	\$7,275,679	\$0
Less estimated income	3,647,636	3,645,798	(158)	3,645,640	3,645,640	
General fund	\$3,684,311	\$3,635,144	(\$5,105)	\$3,630,039	\$3,630,039	\$0
DHS - North Central HSC						
Total all funds	\$14,684,062	\$14,576,944	(\$12,074)	\$14,564,870	\$14,564,870	\$0

Less estimated income	6,735,850	6,725,002	(1,328)	6,723,674	6,723,674	
General fund	\$7,948,212	\$7,851,942	(\$10,746)	\$7,841,196	\$7,841,196	\$0
DHS - Lake Region HSC						
Total all funds	\$8,490,227	\$8,427,435	(\$6,502)	\$8,420,933	\$8,420,933	\$0
Less estimated income	3,790,662	3,783,753	(780)	3,782,973	3,782,973	
General fund	\$4,699,565	\$4,643,682	(\$5,722)	\$4,637,960	\$4,637,960	\$0
DHS - Northeast HSC						
Total all funds	\$17,628,299	\$17,508,856	\$1,932,327	\$19,441,183	\$19,441,183	\$0
Less estimated income	10,099,083	10,050,301	1,394,519	11,444,820	11,444,820	
General fund	\$7,529,216	\$7,458,555	\$537,808	\$7,996,363	\$7,996,363	\$0
DHS - Southeast HSC						
Total all funds	\$20,924,037	\$20,743,221	(\$18,679)	\$20,724,542	\$20,724,542	\$0
Less estimated income	11,233,890	11,217,090	(1,868)	11,215,222	11,215,222	
General fund	\$9,690,147	\$9,526,131	(\$16,811)	\$9,509,320	\$9,509,320	\$0
DHS - South Central HSC						
Total all funds	\$11,454,381	\$11,367,850	(\$8,875)	\$11,358,975	\$11,358,975	\$0
Less estimated income	5,741,308	5,732,844	(976)	5,731,868	5,731,868	
General fund	\$5,713,073	\$5,635,006	(\$7,899)	\$5,627,107	\$5,627,107	\$0
DHS - West Central HSC						
Total all funds	\$17,713,897	\$17,596,609	(\$11,765)	\$17,584,844	\$17,584,844	\$0
Less estimated income	9,137,950	9,123,282	(1,647)	9,121,635	9,121,635	
General fund	\$8,575,947	\$8,473,327	(\$10,118)	\$8,463,209	\$8,463,209	\$0
DHS - Badlands HSC						
Total all funds	\$9,004,972	\$8,932,780	(\$8,153)	\$8,924,627	\$8,924,627	\$0
Less estimated income	4,569,807	4,559,946	(1,223)	4,558,723	4,558,723	
General fund	\$4,435,165	\$4,372,834	(\$6,930)	\$4,365,904	\$4,365,904	\$0
DHS - Health and medical funding pool						
Total all funds	\$0	\$0	\$3,125,000	\$3,125,000	\$0	\$3,125,000
Less estimated income			2,125,000	2,125,000		2,125,000
General fund	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Bill Total						
Total all funds	\$1,489,066,465	\$1,476,841,327	\$30,839,396	\$1,507,680,723	\$1,500,149,374	\$7,531,349
Less estimated income	1,110,494,419	1,114,504,351	(16,058,005)	1,098,446,346	1,094,196,346	4,250,000
General fund	\$378,572,046	\$362,336,976	\$46,897,401	\$409,234,377	\$405,953,028	\$3,281,349

Senate Bill No. 2012 - Department of Human Services - Management - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,147,734	\$11,027,431	(\$11,146)	\$11,016,285	\$11,016,285	
Operating expenses	34,550,483	34,066,362	(499,174)	33,567,188	32,285,839	\$1,281,349
Capital assets	2,694	2,694		2,694	2,694	
Developmentally disabled facility loan	2,261,556	2,261,556	1,000,000	3,261,556	3,261,556	
Total all funds	\$47,962,467	\$47,358,043	\$489,680	\$47,847,723	\$46,566,374	\$1,281,349
Less estimated income	31,912,324	33,134,565	995,542	34,130,107	34,130,107	
General fund	\$16,050,143	\$14,223,478	(\$505,862)	\$13,717,616	\$12,436,267	\$1,281,349
FTE	113.80	113.80	0.00	113.80	113.80	0.00

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	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Administration Support - Conference Committee Changes				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$6,688)	(\$4,458)
				(\$11,146)
Administration Support Program				
Increases funding from the lands and minerals trust fund to accommodate any loan prepayments by developmental disabilities services providers during the 2003-05 biennium, the same as the House version			1,000,000	1,000,000
Information Technology Division Program				
Reduces funding to reflect a reduction in information technology funding from the general fund of approximately 5 percent			(499,174)	(499,174)
Total Conference Committee Changes - Administration Support	0.00	(\$505,862)	\$995,542	\$489,680

Other Changes Affecting Administration Support Programs or Multiple Programs of the Department

A section is added providing for a Legislative Council study of administrative costs of the Department of Human Services' central office, human service centers, and county social services. The House also added this section.

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission or Budget Section approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2005 Legislative Assembly and any transfers over \$50,000 to the Budget Section after June 30, 2004. The House also added this section.

Section 5 of the bill is removed which would have authorized the department to transfer funds between the State Hospital, the Developmental Center, and the human service centers and to increase the number of FTE positions at these institutions and centers. The House also removed this section.

Senate Bill No. 2012 - Department of Human Services - Program and Policy - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$22,311,231	\$22,077,620	(\$23,839)	\$22,053,781	\$22,053,781	
Operating expenses	38,397,710	38,456,409	(1,125,000)	37,331,409	37,331,409	
Capital assets	39,672	39,672		39,672	39,672	
Grants	288,491,078	288,492,803	(505,600)	287,987,203	287,987,203	
Grants - Medical assistance	897,921,533	890,942,979	27,106,685	918,049,664	914,924,664	\$3,125,000
Health center grants		50,000		50,000	50,000	
Total all funds	\$1,247,161,224	\$1,240,059,483	\$25,452,246	\$1,265,511,729	\$1,262,386,729	\$3,125,000
Less estimated income	974,986,069	978,141,758	(20,530,262)	957,611,496	955,486,496	2,125,000
General fund	\$272,175,155	\$261,917,725	\$45,982,508	\$307,900,233	\$306,900,233	\$1,000,000
FTE	234.80	234.80	0.00	234.80	234.80	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹ Program/Policy Management - Conference Committee Changes

Reduces operating expenses. The department may determine the specific areas to reduce. The House also made this reduction. (\$1,000,000) (\$1,000,000)

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month. (7,087) (\$16,752) (23,839)

Economic Assistance Policy Program No changes

Child Support Program No changes

Medical Services Program

Restores a portion of the funding removed by the Senate for optional medical services for adults, including durable medical equipment, optometric services, and psychological services, the same as the House version. 1,100,000 2,337,500 3,437,500

Restores a portion of the funding reduced by the Senate for prescription drugs in the medical assistance program to provide funding for prescription drugs of \$95.2 million. The Senate reduced prescription drug funding by \$9 million, from \$101.1 million recommended in the executive budget to \$92.1 million. The House did not change the Senate version. 1,000,000 2,125,000 3,125,000

Increases funding for medical assistance grants with the priority for use of the funding designated for increasing payments for inpatient, outpatient, and physician services. The state matching funds of \$500,000 are from the health care trust fund. Note the funding source change to the general fund below. The House included this additional funding but provided that it be used only for increasing payments for inpatient and outpatient hospital services. 1,562,500 1,562,500

Removes funding for rehabilitation services relating to the Ruth Meiers Adolescent Treatment Center because the center will continue to be operated by the Northeast Human Service Center rather than by a private organization as anticipated in the executive budget and Senate version. The funding removed is being added to the Northeast Human Service Center. The House also made these changes. (493,277) (1,046,556) (1,539,833)

Adds funding to increase the allowable fringe benefit percentage for employees of developmental disabilities services providers from 30 to 33 percent of salary. The state matching funds of \$1,119,628 are from the health care trust fund. Note the funding source change to the general fund below. The House also made these changes. 3,498,839 3,498,839

Increases funding to provide an additional 37-cent per hour salary increase to employees of 5,850,715 5,850,715

developmental disabilities services providers. This amount is in addition to the funding added by the Senate to provide for a 50-cent per hour increase. The state matching funds of \$1,872,229 are from the health care trust fund. Note the funding source change to the general fund below. The House also made these changes.

Long-Term Care Program

Changes the funding source for nursing facility care in the medical assistance program from the health care trust fund to the general fund. Funding recommended in the executive budget and Senate version for this purpose totaled \$29,137,300 from the health care trust fund. The Conference Committee and House version appropriate \$19,545,393 from the health care trust fund. Note the additional funding source change to the general fund below.

9,591,907 (9,591,907)

Provides for the nursing facility direct care limit to be set at \$85 rather than the 85th percentile as included in the executive budget and the Senate version. The state matching funds of \$2,925,207 are from the health care trust fund. Note the funding source change to the general fund below. A section is added authorizing the department to establish the limit at \$85 for the 2003-05 biennium. The House also made these changes.

9,129,859 9,129,859

Restores \$1,750,000 of the \$4,382,049 general fund reduction made by the Senate to the service payments for elderly and disabled (SPED) program with funding from the health care trust fund. Note the funding source change to the general fund below. Funding from the counties is increased by \$92,105. The House also made these changes.

1,842,105 1,842,105

Aging Services Program

Reduces funding from the health care trust fund for qualified service provider training grants from \$140,000 to \$40,000. Note the funding source change below. The House also made these changes.

(100,000) (100,000)

Children and Family Services Program

Changes the source of funding to reflect additional federal funds anticipated to be available from "refinancing" activities of the Children's Services Coordinating Committee during the 2003-05 biennium, the same as the House version

(43,331) 43,331

Removes funding for foster care room and board costs relating to the Ruth Meiers Adolescent Treatment Center because the center will continue to be operated by the Northeast Human Service Center rather than by a private organization as anticipated in the executive budget and Senate version. The funding removed is being added to the Northeast Human Service Center. The House also made these changes.

(51,739) (353,861) (405,600)

Mental Health and Substance Abuse Program

Reduces funding for gambling addiction services from \$225,000 to \$100,000, the same as the House version

(125,000) (125,000)

Developmental Disabilities Council

No changes

Disabilities Program

Changes the source of funding for independent living center grants from the health care trust fund to the general fund, the same as the House version

100,000 (100,000)

Adds funding from the health care trust fund for supported living arrangement services, the same as the House version. Note the funding source change below. A section is added providing that these funds may be spent only if local or private matching funds of one to one are provided for the services. The section also directs the department to allocate the funds to each region based on each region's share of individuals with developmental disabilities who are seeking these services. The House version provided for matching funds of two to one.

200,000 200,000

All Programs

Changes the funding source from the health care trust fund to the general fund for all Department of Human Services programs that were to receive funding from the health care trust fund. A section is added transferring \$35,911,035 from the health care trust fund to the general fund during the 2003-05 biennium.

35,911,035 (35,911,035)

Total Conference Committee Changes - Program/Policy Management

0.00 \$45,982,508 (\$20,530,262) \$25,452,246

Other Changes Affecting Program/Policy Management Programs

Section 2, added by the Senate, which appropriates \$50,000 from the general fund for health center grants, is amended to allow any community entity to be eligible to receive a grant from the department to assist it in applying for federal health center grants. The House also made this change.

A section is added requiring the department to make the program changes necessary to operate programs utilizing funding from the federal temporary assistance for needy families (TANF) block grant within North Dakota's funding allocation by the end of the 2003-05 biennium. The House also included this section.

A section is added directing the department to establish a \$6 copayment for Medicaid recipients for each emergency room visit that is not considered an emergency by hospital personnel and directing the department to make other programmatic changes or establish other copayments or service limits within the medical services program to operate the program within the funding level approved by the Legislative Assembly for the 2003-05 biennium. The House also included this section.

A section is added providing for a Legislative Council study of programs providing services to children with special health care needs. The House also included this section.

A section is added providing for a Legislative Council study of North Dakota's long-term care continuum of services, including service delivery methods and payment systems. The House also included this section.

A section is added providing for a Legislative Council study of the feasibility and desirability of creating a Medicaid advisory council. The House also included this section.

A section of legislative intent is added providing that the department conduct three-month rather than three-month and six-month "followup" reviews of vocational rehabilitation clients who begin working if allowed under federal regulations. The House also included this section.

Senate Bill No. 2012 - Department of Human Services - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Human service centers/ institutions	\$44,312,699	\$41,931,048	(\$41,487)	\$41,889,561	\$41,889,561	
Total all funds	\$44,312,699	\$41,931,048	(\$41,487)	\$41,889,561	\$41,889,561	\$0
Less estimated income	<u>16,405,360</u>	<u>16,405,360</u>		<u>16,405,360</u>	<u>16,405,360</u>	
General fund	\$27,907,339	\$25,525,688	(\$41,487)	\$25,484,201	\$24,484,201	\$0
FTE	416.90	416.90	0.00	416.90	416.90	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹ State Hospital - Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month			(\$41,487)			(\$41,487)
Total Conference Committee Changes - State Hospital		0.00	(\$41,487)	\$0		(\$41,487)

Other Changes Affecting the State Hospital

Subdivision 3 of Section 1 of the bill is changed to appropriate funds by funding source for the State Hospital, the Developmental Center, and each of the human service centers rather than appropriating the funds by funding source only in total for all entities. The House also made this change.

Senate Bill No. 2012 - Department of Human Services - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Human service centers/ institutions	\$42,148,253	\$40,808,116	(\$7,059)	\$40,761,057	\$40,761,057	
Total all funds	\$42,148,253	\$40,808,116	(\$7,059)	\$40,761,057	\$40,761,057	\$0
Less estimated income	<u>32,234,480</u>	<u>31,984,652</u>	<u>(34,824)</u>	<u>31,949,828</u>	<u>31,949,828</u>	
General fund	\$9,913,773	\$8,823,464	(\$12,235)	\$8,811,229	\$8,811,229	\$0
FTE	458.04	458.04	0.00	458.04	458.04	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹ Developmental Center -
Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$12,235)	(\$34,824)	(\$47,059)
Total Conference Committee Changes - Developmental Center	0.00	(\$12,235)	(\$34,824)	(\$47,059)

Other Changes Affecting the Developmental Center

Subdivision 3 of Section 1 of the bill is changed to appropriate funds by funding source for the State Hospital, the Developmental Center, and each of the human service centers rather than appropriating the funds by funding source only in total for all entities. The House also made this change.

Senate Bill No. 2012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Mental health contingency	\$250,000	\$250,000		\$250,000	\$250,000	
DHS - Northwest HSC	3,684,311	3,635,144	(\$5,105)	3,630,039	3,630,039	
DHS - North Central HSC	7,948,212	7,851,942	(10,746)	7,841,196	7,841,196	
DHS - Lake Region HSC	4,699,565	4,643,682	(5,722)	4,637,960	4,637,960	
DHS - Northeast HSC	7,529,216	7,458,555	537,808	7,996,363	7,996,363	
DHS - Southeast HSC	9,690,147	9,526,131	(16,811)	9,509,320	9,509,320	
DHS - South Central HSC	5,713,073	5,635,006	(7,899)	5,627,107	5,627,107	
DHS - West Central HSC	8,575,947	8,473,327	(10,118)	8,463,209	8,463,209	
DHS - Badlands HSC	<u>4,435,165</u>	<u>4,372,834</u>	<u>(6,930)</u>	<u>4,365,904</u>	<u>4,365,904</u>	
Total general fund	\$52,525,636	\$51,846,621	\$474,477	\$52,321,098	\$52,321,098	

Senate Bill No. 2012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Mental health contingency						
DHS - Northwest HSC	\$3,647,636	\$3,645,798	(\$158)	\$3,645,640	\$3,645,640	
DHS - North Central HSC	6,735,850	6,725,002	(1,328)	6,723,674	6,723,674	
DHS - Lake Region HSC	3,790,662	3,783,753	(780)	3,782,973	3,782,973	
DHS - Northeast HSC	10,099,083	10,050,301	1,394,519	11,444,820	11,444,820	
DHS - Southeast HSC	11,233,890	11,217,090	(1,868)	11,215,222	11,215,222	
DHS - South Central HSC	5,741,308	5,732,844	(976)	5,731,868	5,731,868	
DHS - West Central HSC	9,137,950	9,123,282	(1,647)	9,121,635	9,121,635	
DHS - Badlands HSC	<u>4,569,807</u>	<u>4,559,946</u>	<u>(1,223)</u>	<u>4,558,723</u>	<u>4,558,723</u>	
Total other funds	\$54,956,186	\$54,838,016	\$1,386,539	\$56,224,555	\$56,224,555	

Senate Bill No. 2012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Mental health contingency	\$250,000	\$250,000		\$250,000	\$250,000	
DHS - Northwest HSC	7,331,947	7,280,942	(\$5,263)	7,275,679	7,275,679	
DHS - North Central HSC	14,684,062	14,576,944	(12,074)	14,564,870	14,564,870	
DHS - Lake Region HSC	8,490,227	8,427,435	(6,502)	8,420,933	8,420,933	
DHS - Northeast HSC	17,628,299	17,508,856	1,932,327	19,441,183	19,441,183	
DHS - Southeast HSC	20,924,037	20,743,221	(18,679)	20,724,542	20,724,542	
DHS - South Central HSC	11,454,381	11,367,850	(8,875)	11,358,975	11,358,975	
DHS - West Central HSC	17,713,897	17,596,609	(11,765)	17,584,844	17,584,844	
DHS - Badlands HSC	<u>9,004,972</u>	<u>8,932,780</u>	<u>(8,153)</u>	<u>8,924,627</u>	<u>8,924,627</u>	
Total all funds	\$107,481,822	\$106,684,637	\$1,861,016	\$108,545,653	\$108,545,653	
FTE	817.58	817.58	16.30	833.88	833.88	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹ Northwest Human Service Center -
Conference Committee Changes

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$5,105)	(\$158)	(\$5,263)
Total Conference Committee Changes - Northwest Human Service Center	0.00	(\$5,105)	(\$158)	(\$5,263)

**North Central Human Service Center -
Conference Committee Changes**

Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$10,746)	(\$1,328)	(\$12,074)
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Adds one activity therapist II and one administrative assistant I. Federal funding for the 2.00

positions is included in the department's 2003-05 biennium budget.

Total Conference Committee Changes - North Central Human Service Center	2.00	(\$10,746)	(\$1,328)	(\$12,074)
Lake Region Human Service Center - Conference Committee Changes				
Removes one FTE vacant administrative position (no funding was included for the position)	(1.00)			
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$5,722)	(\$780)	(\$6,502)
Total Conference Committee Changes - Lake Region Human Service Center	(1.00)	(\$5,722)	(\$780)	(\$6,502)
Northeast Human Service Center - Conference Committee Changes				
Adds funding to continue operating the Ruth Meiers Adolescent Treatment Center. The executive budget and the Senate version anticipated the center would be operated by a private organization. The funding added is being reduced from medical services and children and family services programs.	13.30	\$545,016	\$1,400,417	\$1,945,433
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(7,208)	(5,898)	(13,106)
Total Conference Committee Changes - Northeast Human Service Center	13.30	\$537,808	\$1,394,519	\$1,932,327
Southeast Human Service Center - Conference Committee Changes				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$16,811)	(\$1,868)	(\$18,679)
Adds one activity therapist I. Federal funding for the position is included in the department's 2003-05 biennium budget.	1.00			
Total Conference Committee Changes - Southeast Human Service Center	1.00	(\$16,811)	(\$1,868)	(\$18,679)
South Central Human Service Center - Conference Committee Changes				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$7,899)	(\$976)	(\$8,875)
Total Conference Committee Changes - South Central Human Service Center	0.00	(\$7,899)	(\$976)	(\$8,875)
West Central Human Service Center - Conference Committee Changes				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$10,118)	(\$1,647)	(\$11,765)
Adds one office assistant I. Federal funding for the position is included in the department's 2003-05 biennium budget.	1.00			
Total Conference Committee Changes - West Central Human Service Center	1.00	(\$10,118)	(\$1,647)	(\$11,765)
Badlands Human Service Center - Conference Committee Changes				
Reduces funding for salaries and wages to reflect a reduction in state employee health insurance premiums from \$493 to \$488.70 per month		(\$6,930)	(\$1,223)	(\$8,153)
Total Conference Committee Changes - Badlands Human Service Center	0.00	(\$6,930)	(\$1,223)	(\$8,153)

Other Changes Affecting the Human Service Centers

Subdivision 3 of Section 1 of the bill is changed to appropriate funds by funding source for the State Hospital, the Developmental Center, and each of the human service centers rather than appropriating the funds by funding source only in total for all entities. The House also made this change.

Other Changes Affecting the Department of Human Services

A section is added appropriating \$3,125,000, of which \$1 million is from the general fund, for supplementing other funding provided for medical assistance, the Developmental Center, the State Hospital, and home and community-based services programs. The department is to use this additional general fund support for maximizing federal funding, when possible.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BOWMAN MOVED that the conference committee report on Engrossed SB 2012 be adopted.

REQUEST

SEN. BOWMAN REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Engrossed SB 2012, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed SB 2012, the roll was called and there were 23 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Freborg; Grindberg; Holmberg; Kilzer; Klein; Kringstad; Lee, G.; Lindaas; Lyson; Mutch; Nichols; Schobinger; Stenehjelm; Syverson; Thane; Tollefson; Urlacher; Wardner

NAYS: Bercier; Brown; Christenson; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Heitkamp; Krauter; Krebsbach; Lee, J.; Mathern; Nelson; Nething; O'Connell; Polovitz; Robinson; Seymour; Taylor; Traynor; Trenbeath

ABSENT AND NOT VOTING: Tallackson

The conference committee report on Engrossed SB 2012 was rejected.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 7:30 p.m., which motion prevailed.

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

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

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1019, HB 1497.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1011.

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

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

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2009.

MOTION

SEN. CHRISTMANN MOVED that HB 1003 be placed at the top of the Seventh order, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. Holmberg, Kringstad, Robinson and Reps. Martinson, Wald, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1453-1461, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1453-1461 of the House Journal and pages 1251-1259 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 4, after the third semicolon insert "to provide for a legislative council study; to provide an exemption; to create and enact section 4 to House Bill No. 1023, as approved by the fifty-eighth legislative assembly, relating to capital projects of various state departments and to declare that Act an emergency;"

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

Page 1, line 20, remove "and centers for excellence" and replace "7,000,000" with "4,750,000"

Page 1, after line 20, insert:

"Centers for excellence 1,550,000"

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

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

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

Page 1, after line 24, insert:

"Operations pool 578,417"

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

Page 2, line 8, replace "64,407,816" with "60,474,237"

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

Page 2, line 10, replace "59,052,309" with "56,618,730"

Page 2, line 14, replace "15,493,038" with "16,112,327"

Page 2, line 15, replace "15,743,038" with "16,362,327"

Page 2, line 19, replace "4,963,824" with "5,032,682"

Page 2, line 20, replace "5,008,655" with "5,077,513"

Page 2, line 24, replace "5,319,181" with "5,387,371"

Page 2, line 25, replace "5,407,971" with "5,476,161"

Page 2, line 29, replace "84,584,943" with "84,558,126"

Page 2, remove lines 30 and 31

Page 3, line 1, replace "117,347,079" with "117,220,262"

Page 3, line 3, replace "87,047,079" with "86,920,262"

Page 3, line 7, replace "66,875,983" with "67,576,959"

Page 3, line 8, replace "83,613,514" with "84,314,490"

Page 3, line 10, replace "68,613,514" with "69,314,490"

Page 3, line 14, replace "23,774,891" with "23,936,824"

Page 3, line 15, replace "28,217,311" with "28,379,244"

Page 3, line 17, replace "24,548,391" with "24,710,324"

Page 3, line 21, replace "13,590,878" with "13,598,831"

Page 3, line 22, replace "18,984,840" with "18,992,793"

Page 3, line 24, replace "13,984,840" with "13,992,793"

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

Page 3, line 28, replace "8,349,835" with "8,602,335"

Page 3, remove line 29

Page 3, line 30, replace "8,764,424" with "9,016,924"

Page 4, line 2, replace "8,614,424" with "8,866,924"

Page 4, line 6, replace "25,554,142" with "25,769,578"

Page 4, line 7, replace "26,166,992" with "26,382,428"

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

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

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

Page 4, line 16, replace "4,057,001" with "4,102,856"

Page 4, line 17, replace "4,169,664" with "4,312,519"

Page 4, line 21, replace "30,268,879" with "30,165,865"

Page 4, line 22, replace "30,268,879" with "30,165,865"

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

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

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

Page 4, line 30, replace "361,808,443" with "361,541,418"

Page 5, line 1, replace "112,046,775" with "110,546,775"

Page 5, line 2, replace "473,855,218" with "472,088,193"

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

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

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

Page 5, remove line 12

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

Page 5, after line 20, insert:

"SECTION 5. OPERATIONS POOL. The sum of \$578,417, or so much of the sum as may be necessary, included in the operations pool in item in subdivision 1 of section 1 of this Act, is to be allocated by the state board of higher education to the entities included in section 1."

Page 5, line 30, after the period insert "All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2003, and ending June 30, 2005, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board and for student financial assistance grants. Twenty-two percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions."

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

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

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

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

Page 7, remove line 13

Page 8, line 7, replace "- **LIMITATION IN**" with ". Of the total amount of evidences of indebtedness issued under the provisions of section 14 of this Act, a total of \$250,000 must be available from non-general fund sources to assist in the retirement of the evidences of indebtedness issued for the project costs associated with the construction of the projects authorized by this Act:

Dickinson state university	\$250,000
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The Dickinson state university local responsibility must be paid during the 2005-07 biennium.

SECTION 16. BOND ISSUANCE ASSISTANCE. The North Dakota university system shall provide funding of \$830,000 from the capital bond payments line item in subdivision 1 of chapter 28 of the 2001 Session Laws to the industrial commission for bond issuance buydown for projects authorized in section 14 of this Act."

Page 8, remove lines 8 through 15

Page 8, line 18, replace "twenty" with "twenty-two"

Page 9, remove lines 11 and 12

Page 9, remove line 23

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

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

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

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

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

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

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

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

SECTION 21. CENTERS FOR EXCELLENCE. The centers for excellence line item in subdivision 1 of section 1 of this Act includes \$1,150,000 for the John D. Odegard center for aerospace science - center of excellence in multimedia technology and \$400,000 is for future centers for excellence. Of the \$1,150,000, \$206,000 is for the expanded air service enterprise - upper great plains air taxi service. Federal matching funding relating to the expanded air service enterprise - upper great plains air taxi service must be leveraged by the North Dakota university system before June 30, 2004, or the funding is to be made available for other centers for excellence. The funding for future centers for excellence is to be distributed by the state board of higher education. The funds provided in this section may not be used to supplant funding for current operations or academic instruction or to pay indirect costs.

SECTION 22. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for education incentive programs may be allocated to education incentive programs as determined by the state board of higher education, including the reduction or elimination of specific programs, and the state board of higher education may determine the appropriate number of years of program eligibility for each education incentive program.

SECTION 23. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2003, and ending June 30, 2005, the state board of higher education determines that funds allocated to institution operations in section 1 of this Act are needed for capital projects or extraordinary repairs, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 24. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION. The legislative council shall consider continuing the study of higher education during the 2003-04 interim. If conducted, the study may include the use of the higher education roundtable format. The study should further refine the expectations of the North Dakota university system in meeting the state's needs in the twenty-first century, the funding methodology needed to meet those expectations and needs, and the accountability system and reporting methodology for the university system. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 25. CONSTRUCTION OF BASKETBALL ARENA - APPROVAL. The state board of higher education may approve amendments to terms of the agreement entered under chapter 159 of the 1999 Session Laws and may authorize the construction of a basketball arena on the site authorized under that legislation for the university of North Dakota to be financed with private funds.

SECTION 26. PURCHASE OF HOTEL - APPROVAL. The state board of higher education may authorize the university of North Dakota to purchase a hotel and land upon which the hotel is located within the city of Grand Forks for use as a student residence facility for a sum not to exceed \$1,200,000, under terms approved by the board. The university of North Dakota may utilize available housing reserve funds for the purchase.

SECTION 27. MAYVILLE STATE UNIVERSITY - FIELDHOUSE RENOVATION AND ADDITION - REVENUE NOTE. The state board of higher education may, as an alternative to issuing revenue bonds to finance the Mayville state university fieldhouse renovation and addition authorized in section 13 of this Act, enter an agreement or agreements and do all things necessary to finance this improvement with a tax-exempt revenue note, under terms and conditions acceptable to the board. The proceeds of the revenue note must be used to pay all or part of the cost of construction, equipment, and furnishing of the Mayville state university fieldhouse, costs of issuance, interest, and any reasonable required reserve. The note may be issued based on the pledge of revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds. A revenue note authorized by this section may not constitute a direct obligation of the state or any agency or political subdivision of the state within the meaning of any statutory or constitutional provision. The principal and interest on the note must be payable solely from revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds.

SECTION 28. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES. It is the intent of the fifty-eighth legislative assembly that funding of \$395,000 included in the operations line item in subdivision 13 of section 1 of this Act is considered one-time funding and the funding is not to be included in the university of North Dakota school of medicine and health sciences base funding for determination of funding requests for the 2005-07 biennium.

SECTION 29. LEGISLATIVE INTENT - MAYVILLE STATE UNIVERSITY. It is the intent of the fifty-eighth legislative assembly that funding of \$50,000 included in the capital assets line item in subdivision 9 of section 1 of this Act is for improvement of the sound system in old main.

SECTION 30. LEGISLATIVE INTENT - MINOT STATE UNIVERSITY - BOTTINEAU. It is the intent of the fifty-eighth legislative assembly that funding of \$97,000 included in the capital assets line item in subdivision 12 of section 1 of this Act is for air conditioning-related extraordinary repairs.

SECTION 31. STUDENT INTERNSHIP PROGRAM - REPORT TO THE BUDGET SECTION. The state board of higher education shall study, during the 2003-04 interim, the use of internships to attract students to high-growth occupations in the state and shall implement a student internship program by July 1, 2004. The board is encouraged to seek input from the department of commerce, job service North Dakota, the higher education roundtable, and the North Dakota student association, and the board may accept any public or private moneys to implement the program. The board shall provide a report on the program implemented to the first meeting of the budget section after July 1, 2004, and shall present a report to the fifty-ninth legislative assembly.

SECTION 32. EXEMPTION. The facility authorized in chapter 159 of the 1999 Session Laws is exempt from North Dakota Century Code section 5-02-05 for December 25, 2004."

Page 10, remove lines 25 and 26

Page 20, after line 21, insert:

"SECTION 38. Section 4 to House Bill No. 1023, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Page 20, line 23, remove the second "and" and after "14" insert ", 15, 16, and 38"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	\$467,577,358	\$64,407,816	(\$3,933,579)	\$60,474,237	\$61,845,820	(\$1,371,583)
Less estimated income	115,498,722	5,355,507	(1,500,000)	3,855,507	3,855,507	
General fund	\$352,078,636	\$59,052,309	(\$2,433,579)	\$56,618,730	\$57,990,313	(\$1,371,583)
Bismarck State College						
Total all funds	\$0	\$17,528,038	\$619,289	\$18,147,327	\$17,497,327	\$650,000
Less estimated income		1,785,000		1,785,000	1,785,000	
General fund	\$0	\$15,743,038	\$619,289	\$16,362,327	\$15,712,327	\$650,000
Lake Region State College						
Total all funds	\$0	\$5,383,655	\$68,858	\$5,452,513	\$5,377,513	\$75,000
Less estimated income		375,000		375,000	375,000	
General fund	\$0	\$5,008,655	\$68,858	\$5,077,513	\$5,002,513	\$75,000
Williston State College						
Total all funds	\$0	\$5,407,971	\$68,190	\$5,476,161	\$5,401,161	\$75,000
Less estimated income						
General fund	\$0	\$5,407,971	\$68,190	\$5,476,161	\$5,401,161	\$75,000
University of North Dakota						
Total all funds	\$0	\$140,347,079	(\$126,817)	\$140,220,262	\$140,395,262	(\$175,000)
Less estimated income		53,300,000		53,300,000	53,300,000	
General fund	\$0	\$87,047,079	(\$126,817)	\$86,920,262	\$87,095,262	(\$175,000)
UND Medical Center						
Total all funds	\$0	\$30,268,879	(\$103,014)	\$30,165,865	\$29,990,865	\$175,000
Less estimated income						
General fund	\$0	\$30,268,879	(\$103,014)	\$30,165,865	\$29,990,865	\$175,000
North Dakota State University						
Total all funds	\$0	\$94,613,514	\$700,976	\$95,314,490	\$94,564,490	\$750,000
Less estimated income		26,000,000		26,000,000	26,000,000	
General fund	\$0	\$68,613,514	\$700,976	\$69,314,490	\$68,564,490	\$750,000
State College of Science						
Total all funds	\$0	\$28,217,311	\$161,933	\$28,379,244	\$28,179,244	\$200,000
Less estimated income		3,668,920		3,668,920	3,668,920	
General fund	\$0	\$24,548,391	\$161,933	\$24,710,324	\$24,510,324	\$200,000
Dickinson State University						
Total all funds	\$0	\$24,866,887	\$7,953	\$24,874,840	\$18,967,793	\$5,907,047
Less estimated income		10,882,047		10,882,047	5,000,000	5,882,047
General fund	\$0	\$13,984,840	\$7,953	\$13,992,793	\$13,967,793	\$25,000
Mayville State University						
Total all funds	\$0	\$14,119,424	\$252,500	\$14,371,924	\$12,841,924	\$1,530,000
Less estimated income		5,505,000		5,505,000	4,150,000	1,355,000
General fund	\$0	\$8,614,424	\$252,500	\$8,866,924	\$8,691,924	\$175,000
Minot State University						
Total all funds	\$0	\$26,166,992	\$215,436	\$26,382,428	\$26,132,428	\$250,000
Less estimated income						
General fund	\$0	\$26,166,992	\$215,436	\$26,382,428	\$26,132,428	\$250,000
Valley City State University						
Total all funds	\$0	\$15,494,712	\$160,594	\$15,655,306	\$14,870,006	\$785,300
Less estimated income		4,085,300		4,085,300	3,300,000	785,300
General fund	\$0	\$11,409,412	\$160,594	\$11,570,006	\$11,570,006	\$0
Minot State University - Bottineau						
Total all funds	\$0	\$4,169,664	\$142,855	\$4,312,519	\$4,262,519	\$50,000
Less estimated income						
General fund	\$0	\$4,169,664	\$142,855	\$4,312,519	\$4,262,519	\$50,000
Forest Service						
Total all funds	\$2,915,258	\$2,863,276	(\$2,199)	\$2,861,077	\$2,861,077	\$0
Less estimated income	1,090,001	1,090,001		1,090,001	1,090,001	

General fund	\$1,825,257	\$1,773,275	(\$2,199)	\$1,771,076	\$1,771,076	\$0
Bill Total						
Total all funds	\$470,492,616	\$473,855,218	(\$1,767,025)	\$472,088,193	\$463,187,429	\$8,900,764
Less estimated income	116,588,723	112,046,775	(1,500,000)	110,546,775	102,524,428	8,022,347
General fund	\$353,903,893	\$361,808,443	(\$267,025)	\$361,541,418	\$360,663,001	\$878,417

House Bill No. 1003 - University System - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$352,078,636	\$59,052,309	(\$2,433,579)	\$56,618,730	\$57,990,313	(\$1,371,583)
Bismarck State College		15,743,038	619,289	16,362,327	15,712,327	650,000
Lake Region State College		5,008,655	68,858	5,077,513	5,002,513	75,000
Williston State College		5,407,971	68,190	5,476,161	5,401,161	75,000
University of North Dakota		87,047,079	(126,817)	86,920,262	87,095,262	(175,000)
UND Medical Center		30,268,879	(103,014)	30,165,865	29,990,865	175,000
North Dakota State University		68,613,514	700,976	69,314,490	68,564,490	750,000
State College of Science		24,548,391	161,933	24,710,324	24,510,324	200,000
Dickinson State University		13,984,840	7,953	13,992,793	13,967,793	25,000
Mayville State University		8,614,424	252,500	8,866,924	8,691,924	175,000
Minot State University		26,166,992	215,436	26,382,428	26,132,428	250,000
Valley City State University		11,409,412	160,594	11,570,006	11,570,006	
Minot State University - Bottineau		4,169,664	142,855	4,312,519	4,262,519	50,000
Forest Service	<u>1,825,257</u>	<u>1,773,275</u>	<u>(2,199)</u>	<u>1,771,076</u>	<u>1,771,076</u>	
Total general fund	\$353,903,893	\$361,808,443	(\$267,025)	\$361,541,418	\$360,663,001	\$878,417

Detail of Conference Committee Changes to the General Fund

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	REMOVES FUNDING FOR CAPITAL ASSETS ³	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE ⁴	RESTORES FUNDING FOR BOARD INITIATIVES ⁵	ADJUSTS FUNDING FOR CAPITAL ASSETS ⁶
University System office	(\$2,064)	(\$1,221,515)	(\$1,310,000)	(\$700,000)	\$50,000	
Bismarck State College		(30,711)				
Lake Region State College		(6,142)				
Williston State College		(6,810)				
University of North Dakota		(101,817)			(50,000)	
UND Medical Center		(28,014)				
North Dakota State University		(49,024)				
State College of Science		(38,067)				
Dickinson State University		(17,047)				
Mayville State University		(22,500)				
Minot State University		(34,564)				
Valley City State University		(39,406)				
Minot State University - Bottineau		(4,145)				\$97,000
Forest Service	<u>(1,961)</u>	<u>(238)</u>				
Total general fund	(\$4,025)	(\$1,600,000)	(\$1,310,000)	(\$700,000)	\$0	\$97,000

	PROVIDES FUNDING FOR OPERATIONS POOL ⁷	ALLOCATES FUNDING FROM OPERATIONS POOL ⁸	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS ⁹	INCREASES FUNDING FOR CAMPUS OPERATIONS ¹⁰	RESTORES FUNDING FOR CAMPUS OPERATIONS ¹¹	REMOVES FUNDING FOR MARKETING INITIATIVE ¹²
University System office	\$2,250,000	(\$1,500,000)				
Bismarck State College		650,000				
Lake Region State College		75,000				
Williston State College		75,000				
University of North Dakota					\$75,000	(\$50,000)
UND Medical Center					(75,000)	
North Dakota State University				\$750,000		
State College of Science		200,000				
Dickinson State University		25,000				
Mayville State University		175,000			100,000	
Minot State University		250,000				
Valley City State University					200,000	
Minot State University - Bottineau		50,000				
Forest Service						
Total general fund	\$2,250,000	\$	\$0	\$750,000	\$300,000	(\$50,000)

	TOTAL GENERAL FUND CHANGES
University System office	(\$2,433,579)
Bismarck State College	619,289
Lake Region State College	68,858
Williston State College	68,190
University of North Dakota	(126,817)
UND Medical Center	(103,014)
North Dakota State University	700,976
State College of Science	161,933
Dickinson State University	7,953
Mayville State University	252,500
Minot State University	215,436
Valley City State University	160,594
Minot State University - Bottineau	142,855
Forest Service	<u>(2,199)</u>
Total general fund	(\$267,025)

House Bill No. 1003 - University System - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$115,498,722	\$5,355,507	(\$1,500,000)	\$3,855,507	\$3,855,507	
Bismarck State College		1,785,000		1,785,000	1,785,000	
Lake Region State College		375,000		375,000	375,000	
Williston State College						
University of North Dakota		53,300,000		53,300,000	53,300,000	
UND Medical Center						
North Dakota State University		26,000,000		26,000,000	26,000,000	
State College of Science		3,668,920		3,668,920	3,668,920	
Dickinson State University		10,882,047		10,882,047	5,000,000	\$5,882,047
Mayville State University		5,505,000		5,505,000	4,150,000	1,355,000
Minot State University						
Valley City State University		4,085,300		4,085,300	3,300,000	785,300
Minot State University - Bottineau						
Forest Service	1,090,001	1,090,001		1,090,001	1,090,001	
Total other funds	\$116,588,723	\$112,046,775	(\$1,500,000)	\$110,546,775	\$102,524,428	\$8,022,347

Detail of Conference Committee Changes to Other Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	ADJUSTS FUNDING FOR CAPITAL ASSETS 6
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0
	PROVIDES FUNDING FOR OPERATIONS POOL 7	ALLOCATES FUNDING FROM OPERATIONS POOL 8	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 9	INCREASES FUNDING FOR CAMPUS OPERATIONS 10	RESTORES FUNDING FOR CAMPUS OPERATIONS 11	REMOVES FUNDING FOR MARKETING INITIATIVE 12
University System office			(\$1,500,000)			
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	(\$1,500,000)	\$0	\$0	\$0
	TOTAL OTHER FUNDS CHANGES					
University System office	(\$1,500,000)					
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	(\$1,500,000)					

House Bill No. 1003 - University System - All Funds Summary

EXECUTIVE	HOUSE	CONFERENCE COMMITTEE	CONFERENCE COMMITTEE	SENATE	COMPARISON
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	BUDGET	VERSION	CHANGES	VERSION	VERSION	TO SENATE
University System office	\$467,577,358	\$64,407,816	(\$3,933,579)	\$60,474,237	\$61,845,820	(\$1,371,583)
Bismarck State College		17,528,038	619,289	18,147,327	17,497,327	650,000
Lake Region State College		5,383,655	68,858	5,452,513	5,377,513	75,000
Williston State College		5,407,971	68,190	5,476,161	5,401,161	75,000
University of North Dakota		140,347,079	(126,817)	140,220,262	140,395,262	(175,000)
UND Medical Center		30,268,879	(103,014)	30,165,865	29,990,865	175,000
North Dakota State University		94,613,514	700,976	95,314,490	94,564,490	750,000
State College of Science		28,217,311	161,933	28,379,244	28,179,244	200,000
Dickinson State University		24,866,887	7,953	24,874,840	18,967,793	5,907,047
Mayville State University		14,119,424	252,500	14,371,924	12,841,924	1,530,000
Minot State University		26,166,992	215,436	26,382,428	26,132,428	250,000
Valley City State University		15,494,712	160,594	15,655,306	14,870,006	785,300
Minot State University - Bottineau		4,169,664	142,855	4,312,519	4,262,519	50,000
Forest Service	<u>2,915,258</u>	<u>2,863,276</u>	<u>(2,199)</u>	<u>2,861,077</u>	<u>2,861,077</u>	
Total all funds	\$470,492,616	\$473,855,218	(\$1,767,025)	\$472,088,193	\$463,187,429	\$8,900,764
FTE	2,400.38	2,400.38	0.00	2,400.38	2,400.38	0.00

Detail of Conference Committee Changes to All Funds

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS ³	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	ADJUSTS FUNDING FOR CAPITAL ASSETS 6
University System office	(\$2,064)	(\$1,221,515)	(\$1,310,000)	(\$700,000)	\$50,000	
Bismarck State College		(30,711)				
Lake Region State College		(6,142)				
Williston State College		(6,810)				
University of North Dakota		(101,817)			(50,000)	
UND Medical Center		(28,014)				
North Dakota State University		(49,024)				
State College of Science		(38,067)				
Dickinson State University		(17,047)				
Mayville State University		(22,500)				
Minot State University		(34,564)				
Valley City State University		(39,406)				
Minot State University - Bottineau		(4,145)				\$97,000
Forest Service	<u>(1,961)</u>	<u>(238)</u>				
Total all funds	(\$4,025)	(\$1,600,000)	(\$1,310,000)	(\$700,000)	\$0	\$97,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	PROVIDES FUNDING FOR OPERATIONS POOL 7	ALLOCATES FUNDING FROM OPERATIONS POOL 8	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 9	INCREASES FUNDING FOR CAMPUS OPERATIONS 10	RESTORES FUNDING FOR CAMPUS OPERATIONS 11	REMOVES FUNDING FOR MARKETING INITIATIVE 12
University System office	\$2,250,000	(\$1,500,000)	(\$1,500,000)			
Bismarck State College		650,000				
Lake Region State College		75,000				
Williston State College		75,000				
University of North Dakota					\$75,000	(\$50,000)
UND Medical Center					(75,000)	
North Dakota State University				\$750,000		
State College of Science		200,000				
Dickinson State University		25,000				
Mayville State University		175,000			100,000	
Minot State University		250,000				
Valley City State University					200,000	
Minot State University - Bottineau		50,000				
Forest Service						
Total all funds	\$2,250,000	\$0	(\$1,500,000)	\$750,000	\$300,000	(\$50,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL FUNDS CHANGES						
University System office	(\$3,933,579)					
Bismarck State College	619,289					
Lake Region State College	68,858					
Williston State College	68,190					
University of North Dakota	(126,817)					
UND Medical Center	(103,014)					
North Dakota State University	700,976					
State College of Science	161,933					
Dickinson State University	7,953					
Mayville State University	252,500					
Minot State University	215,436					
Valley City State University	160,594					
Minot State University - Bottineau	142,855					
Forest Service	<u>(2,199)</u>					
Total all funds	(\$1,767,025)					
FTE	0.00					

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

² This amendment reduces information technology funding from the general fund for the North Dakota University System office, higher education institutions, and the Forest Service by \$1.6 million; however, the reductions are not limited to information technology.

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

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

However, this amendment removes the escrow account established for the purpose of making the first four annual lease rental payments for the retirement of the bonds. Instead, the amendment provides that the North Dakota University System must provide funding of \$830,000 from the system's 2001-03 appropriation for bond issuance buydown for the projects, and Dickinson State University must provide funding of \$250,000 in the 2005-07 biennium to assist with bond repayment.

⁴ This amendment provides funding of \$4,750,000 from the general fund for competitive research, a decrease in funding from the House version of \$250,000 and an increase in funding from the Senate version of \$650,000, and provides funding of \$1,550,000 from the general fund for centers for excellence, a decrease in funding from the House version of \$450,000 and a decrease in funding from the Senate version of \$350,000. The amendment provides \$100,000 of the funding for competitive research is for the establishment of a design center at the University of North Dakota. The amendment also provides \$1,150,000 of the funding for centers for excellence is for the John D. Odegard Center for Aerospace - Center of Excellence in Multimedia Technology and \$400,000 is to be allocated by the State Board of Higher Education for future centers for excellence. Of the funding for the John D. Odegard Center for Aerospace - Center of Excellence in Multimedia Technology, \$206,000 is for an Expanded Air Service Enterprise - Upper Great Plains Air Taxi Service Initiative.

⁵ This amendment restores funding of \$50,000 from the general fund to the North Dakota University System office board initiatives line item and removes funding of \$50,000 from the general fund allocated by the House to the University of North Dakota for the university's Nordic Initiative.

⁶ **Mayville State University** - This amendment transfers funding of \$50,000 from a special line item as provided by the House for improvements in Old Main to the university's capital assets line item. The funding is intended for improvement of the sound system in Old Main.

Minot State University - Bottineau - This amendment provides capital assets funding of \$97,000 from the general fund to Minot State University - Bottineau. The funding is intended for air conditioning-related extraordinary repairs.

⁷ This amendment establishes an operations pool to be allocated by the State Board of Higher Education to higher education institutions.

⁸ This amendment allocates funding from the operations pool to:

- Mayville State University (\$175,000) for funding the second year of the salaries and wages and operations expenses for the president for the 2003-05 biennium.
- State College of Science (\$200,000), Bismarck State College (\$150,000), Williston State College (\$75,000), Lake Region State College (\$75,000) for career and technical education programs offered through the North Dakota University System in high-demand occupations and growth industries in North Dakota.
- Minot State University - Bottineau (\$50,000) for operations-related expenses.
- Bismarck State College (\$500,000) for matching \$1 million of private and other funds for an energy and training technology center.
- Minot State University (\$250,000) for the Center for Persons with Disabilities.
- Dickinson State University (\$25,000) for the university's international student scholars program.

⁹ This amendment removes the special funds spending authority of \$1.5 million added by the House for the student financial assistance grants relating to potential payments that may be received under the North Dakota-Minnesota reciprocity agreement and modifies Section 6 of the bill to provide that the North Dakota University System office is appropriated all additional funds received under the North Dakota-Minnesota reciprocity agreement. Twenty-two percent of the additional funds received is to be student financial assistance grants for students at private baccalaureate degree-granting institutions.

¹⁰ This amendment provides funding of \$750,000 to North Dakota State University for the Center for Genetic Research. The funding is to be used for public private research efforts related to biotechnology's ability to have a positive impact on the state's economy and gross state product.

¹¹ This amendment restores funding of \$75,000 from the general fund to the University of North Dakota from the University of North Dakota Medical School. This amendment also provides funding of \$100,000 from the general fund to Mayville State University and \$200,000 from the general fund to Valley City State University for costs associated with the institutions' high-tech laptop computer initiatives.

This amendment provides funding of \$100,000 from the general fund to Mayville State University and \$200,000 from the general fund to Valley City State University for costs associated with the institutions' high-tech computer initiatives.

¹² This amendment removes funding of \$50,000 from the general fund provided by the House to the University of North Dakota for a grant to the university's athletic department for a Canadian marketing initiative relating to the 2005 World Junior Hockey Tournament.

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 11 of the bill to clarify language regarding funding included from the water development trust fund for disaster-related costs.
- Amends Section 12 of the bill to combine special funds authorization for the University of North Dakota wellness center and athletic complex projects.
- Amends Section 15 of the bill relating to student financial assistance grants.
- Amends Section 16 of the bill to remove two new accountability measures added by the House.
- Amends Section 17 of the bill to increase the transfer from the student loan trust fund to the state general fund by \$1 million, from \$13,258,969 to \$14,258,969.
- Adds a section to the bill relating to education incentive programs.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the transfer of funds from a higher education institution's operations line item to the capital assets line item.
- Adds a section to the bill providing for a Legislative Council study relating to the continuation of the higher education study.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the construction of a basketball arena for the University of North Dakota to be funded with private funds.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the University of North Dakota to purchase for a sum of \$1.2 million a hotel and land upon which the hotel is located for use as a student residence facility.
- Adds a section to the bill relating to the Mayville State University fieldhouse renovation project.
- Adds a section to the bill relating to funding for the University of North Dakota Medical School.
- Adds a section to the bill providing that the State Board of Higher Education should study the concept of using student internships to attract students to high-growth occupations in the state.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed HB 1003 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1003, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to authorize the state board of higher education to issue and sell bonds for capital projects; to authorize the industrial commission to issue and sell bonds for capital projects; to provide statements of legislative intent; to provide for a general fund transfer; to provide for a legislative council study; to provide an exemption; to create and enact section 4 to House Bill No. 1023, as approved by the fifty-eighth legislative assembly, relating to capital projects of various state departments and to declare that Act an emergency; to amend and reenact sections 15-10-08, 15-10-12, 54-44.1-04, 54-44.1-06, and 54-44.1-11 of the North Dakota Century Code, relating to compensation of state board of higher education members, higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended appropriations; and to declare an emergency.

ROLL CALL

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

YEAS: Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern;

Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

ABSENT AND NOT VOTING: Tallackson

Engrossed HB 1003, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

MOTION

SEN. CHRISTMANN MOVED that HB 1011 and HB 1012 be placed at the top of the Seventh order, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1011, as engrossed: Your conference committee (Sens.Christmann, Kringstad, Tallackson and Reps. Timm, Skarphol, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1443-1444, adopt amendments as follows, and place HB 1011 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1443 and 1444 of the House Journal and pages 1259 and 1260 of the Senate Journal and that Engrossed House Bill No. 1011 be amended as follows:

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

Page 1, line 9, replace "30,184,537" with "30,434,831"

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

Page 1, line 11, replace "33,444,688" with "33,692,609"

Page 1, line 12, replace "14,590,404" with "15,481,087"

Page 1, line 13, replace "18,854,284" with "18,211,522"

Page 1, line 15, replace "\$6,611,080" with "\$7,444,054"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1011 - Highway Patrol - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Administration	\$2,263,853	\$2,243,188	(\$1,754)	\$2,241,434	\$2,241,434	
Field operations	30,184,984	30,184,537	250,294	30,434,831	31,050,271	(\$615,440)
Law Enforcement Training Academy	1,023,023	1,016,963	(619)	1,016,344	1,016,344	
Total all funds	\$33,471,860	\$33,444,688	\$247,921	\$33,692,609	\$34,308,049	(\$615,440)
Less estimated income	<u>14,473,199</u>	<u>14,590,404</u>	<u>890,683</u>	<u>15,481,087</u>	<u>15,490,537</u>	<u>(9,450)</u>
General fund	\$18,998,661	\$18,854,284	(\$642,762)	\$18,211,522	\$18,817,512	(\$605,990)
FTE	181.00	183.00	9.00	192.00	192.00	0.00

Dept. 504 - Highway Patrol - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	ADDS FUNDING FOR WEIGH STATIONS 3	REDUCES FIELD OPERATIONS FUNDING 4	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$1,754)				(\$1,754)
Field operations	(16,306)	(\$39,400)	\$906,000	(\$600,000)	250,294
Law Enforcement Training Academy	(619)				(619)
Total all funds	(\$18,679)	(\$39,400)	\$906,000	(\$600,000)	\$247,921
Less estimated income	<u>(5,867)</u>	<u>(9,450)</u>	<u>906,000</u>		<u>890,683</u>

General fund	(\$12,812)	(\$29,950)	\$0	(\$600,000)	(\$642,762)
FTE	0.00	0.00	9.00	0.00	9.00

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

² This amendment reduces funding for information technology by \$39,400, of which \$29,950 is from the general fund and \$9,450 is from the highway tax distribution fund, which represents a reduction in information technology funding of approximately 5 percent.

³ Funding is added from the highway tax distribution fund of \$847,000 and from federal funds of \$59,000 for costs of operating the Beach, Bowman, and Mooreton weigh stations for the 2003-05 biennium if the Highway Patrol chooses to continue operating these stations. The Senate had also included this funding. The Conference Committee amendment does not include the Senate change made to Section 2 of the bill which provided that the \$847,000 from the highway tax distribution fund could only be used for operating costs of these three weigh stations.

⁴ Funding for field operations is reduced by \$600,000 from the general fund. The Highway Patrol may determine the specific areas to reduce.

Engrossed HB 1011 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CHRISTMANN MOVED that the conference committee report on Engrossed HB 1011 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1011, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1011: A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol.

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, 1 NAY, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Lyson

ABSENT AND NOT VOTING: Tallackson

Engrossed HB 1011, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Bowman, Schobinger, Tallackson and Reps. Timm, Carlson, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1444-1448, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1444-1448 of the House Journal and pages 1260-1265 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

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

Page 1, line 3, replace "section" with "sections 24-01-51," after "24-02-44" insert ", and 39-04-19, and subdivisions f and g of subsection 1 of section 39-09-02", after "Code" insert "and section 7 of chapter 331 of the 2001 Session Laws", and after "to" insert "haying of no-mow areas,"

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

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

Page 1, line 12, replace "113,252,369" with "122,902,369"

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

Page 1, line 15, replace "733,765,414" with "784,385,918"

Page 1, after line 15, insert:

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

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

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

Page 2, after line 3, insert:

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

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

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

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

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

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

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

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

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more

than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$95.00 <u>\$98</u>	\$81.00 <u>\$84</u>	\$67.00 <u>\$70</u>	\$49.00 <u>\$52</u>
22,001 - 24,000	100.00 <u>103</u>	85.00 <u>88</u>	70.00 <u>73</u>	51.00 <u>54</u>
24,001 - 26,000	108.00 <u>111</u>	91.00 <u>94</u>	74.00 <u>77</u>	53.00 <u>56</u>
26,001 - 28,000	119.00 <u>122</u>	99.00 <u>102</u>	80.00 <u>83</u>	57.00 <u>60</u>
28,001 - 30,000	128.00 <u>131</u>	107.00 <u>110</u>	86.00 <u>89</u>	61.00 <u>64</u>
30,001 - 32,000	143.00 <u>146</u>	120.00 <u>123</u>	97.00 <u>100</u>	70.00 <u>73</u>
32,001 - 34,000	153.00 <u>156</u>	128.00 <u>131</u>	103.00 <u>106</u>	74.00 <u>77</u>
34,001 - 36,000	163.00 <u>166</u>	136.00 <u>139</u>	109.00 <u>112</u>	78.00 <u>81</u>
36,001 - 38,000	173.00 <u>176</u>	144.00 <u>147</u>	115.00 <u>118</u>	82.00 <u>85</u>
38,001 - 40,000	183.00 <u>186</u>	152.00 <u>155</u>	121.00 <u>124</u>	86.00 <u>89</u>
40,001 - 42,000	193.00 <u>196</u>	160.00 <u>163</u>	127.00 <u>130</u>	90.00 <u>93</u>
42,001 - 44,000	203.00 <u>206</u>	168.00 <u>171</u>	133.00 <u>136</u>	94.00 <u>97</u>
44,001 - 46,000	213.00 <u>216</u>	176.00 <u>179</u>	139.00 <u>142</u>	98.00 <u>101</u>
46,001 - 48,000	223.00 <u>226</u>	184.00 <u>187</u>	145.00 <u>148</u>	102.00 <u>105</u>
48,001 - 50,000	233.00 <u>236</u>	192.00 <u>195</u>	151.00 <u>154</u>	106.00 <u>109</u>
50,001 - 52,000	253.00 <u>256</u>	210.00 <u>213</u>	167.00 <u>170</u>	120.00 <u>123</u>
52,001 - 54,000	263.00 <u>266</u>	218.00 <u>221</u>	173.00 <u>176</u>	124.00 <u>127</u>
54,001 - 56,000	273.00 <u>276</u>	226.00 <u>229</u>	179.00 <u>182</u>	128.00 <u>131</u>
56,001 - 58,000	283.00 <u>286</u>	234.00 <u>237</u>	185.00 <u>188</u>	132.00 <u>135</u>
58,001 - 60,000	293.00 <u>296</u>	242.00 <u>245</u>	191.00 <u>194</u>	136.00 <u>139</u>
60,001 - 62,000	303.00 <u>306</u>	250.00 <u>253</u>	197.00 <u>200</u>	140.00 <u>143</u>
62,001 - 64,000	313.00 <u>316</u>	258.00 <u>261</u>	203.00 <u>206</u>	144.00 <u>147</u>
64,001 - 66,000	323.00 <u>326</u>	266.00 <u>269</u>	209.00 <u>212</u>	148.00 <u>151</u>
66,001 - 68,000	333.00 <u>336</u>	274.00 <u>277</u>	215.00 <u>218</u>	152.00 <u>155</u>
68,001 - 70,000	343.00 <u>346</u>	282.00 <u>285</u>	221.00 <u>224</u>	156.00 <u>159</u>
70,001 - 72,000	353.00 <u>356</u>	290.00 <u>293</u>	227.00 <u>230</u>	160.00 <u>163</u>
72,001 - 74,000	363.00 <u>366</u>	298.00 <u>301</u>	233.00 <u>236</u>	164.00 <u>167</u>
74,001 - 76,000	373.00 <u>376</u>	306.00 <u>309</u>	239.00 <u>242</u>	168.00 <u>171</u>
76,001 - 78,000	383.00 <u>386</u>	314.00 <u>317</u>	245.00 <u>248</u>	172.00 <u>175</u>
78,001 - 80,000	393.00 <u>396</u>	322.00 <u>325</u>	251.00 <u>254</u>	176.00 <u>179</u>
80,001 - 82,000	403.00 <u>406</u>	330.00 <u>333</u>	257.00 <u>260</u>	180.00 <u>183</u>
82,001 - 84,000	413.00 <u>416</u>	352.00 <u>355</u>	300.00 <u>303</u>	256.00 <u>259</u>
84,001 - 86,000	433.00 <u>436</u>	369.00 <u>372</u>	314.00 <u>317</u>	268.00 <u>271</u>
86,001 - 88,000	453.00 <u>456</u>	386.00 <u>389</u>	328.00 <u>331</u>	280.00 <u>283</u>
88,001 - 90,000	473.00 <u>476</u>	403.00 <u>406</u>	342.00 <u>345</u>	292.00 <u>295</u>
90,001 - 92,000	493.00 <u>496</u>	420.00 <u>423</u>	356.00 <u>359</u>	304.00 <u>307</u>
92,001 - 94,000	513.00 <u>516</u>	437.00 <u>440</u>	370.00 <u>373</u>	316.00 <u>319</u>
94,001 - 96,000	533.00 <u>536</u>	454.00 <u>457</u>	384.00 <u>387</u>	328.00 <u>331</u>
96,001 - 98,000	553.00 <u>556</u>	471.00 <u>474</u>	398.00 <u>401</u>	340.00 <u>343</u>
98,001 - 100,000	573.00 <u>576</u>	488.00 <u>491</u>	412.00 <u>415</u>	352.00 <u>355</u>
100,001 - 102,000	593.00 <u>596</u>	505.00 <u>508</u>	426.00 <u>429</u>	364.00 <u>367</u>
102,001 - 104,000	613.00 <u>616</u>	522.00 <u>525</u>	440.00 <u>443</u>	376.00 <u>379</u>
104,001 - 105,500	633.00 <u>636</u>	539.00 <u>542</u>	454.00 <u>457</u>	388.00 <u>391</u>

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

SECTION 6. AMENDMENT. Subdivisions f and g of subsection 1 of section 39-09-02 of the North Dakota Century Code as amended in section 1 of House Bill No. 1046, as approved by the fifty-eighty legislative assembly, are amended and reenacted as follows:

- f. Fifty-five miles [88.51 kilometers] an hour on gravel, dirt, or loose surface highways, and on paved two-lane county and township

highways if there is no speed limit posted, unless otherwise permitted, restricted, or required by conditions.

- g. Sixty-five miles [104.61 kilometers] an hour on paved two-lane highways ~~and on paved and divided multilane highways~~ if posted for that speed, unless otherwise permitted, restricted, or required by conditions.

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

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

SECTION 8. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed.

SECTION 9. EMERGENCY. Sections 6 and 8 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$106,357,711	\$105,330,558	(\$108,154)	\$105,222,404	\$105,222,404	
Operating expenses	124,852,369	113,252,369	9,650,000	122,902,369	122,650,587	\$251,782
Capital assets	459,496,984	471,096,984	41,078,658	512,175,642	512,175,642	
Grants	<u>44,085,503</u>	<u>44,085,503</u>		<u>44,085,503</u>	<u>44,085,503</u>	
Total all funds	\$734,792,567	\$733,765,414	\$50,620,504	\$784,385,918	\$784,134,136	\$251,782
Less estimated income	<u>734,792,567</u>	<u>733,765,414</u>	<u>50,620,504</u>	<u>784,385,918</u>	<u>784,134,136</u>	<u>251,782</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1,046.00	1,046.00	0.00	1,046.00	1,046.00	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	ADDS HIGHWAY CONSTRUCTION FUNDING ¹	ADDS FEDERAL HIGHWAY FUNDING ²	ADDS FUNDING FOR HIGHWAY PROJECTS ³	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ⁴	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ⁵	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				(\$108,154)		(\$108,154)
Operating expenses	\$10,000,000				(\$350,000)	9,650,000
Capital assets	33,750,000	\$7,100,000	\$228,658			41,078,658
Grants						
Total all funds	\$43,750,000	\$7,100,000	\$228,658	(\$108,154)	(\$350,000)	\$50,620,504
Less estimated income	<u>43,750,000</u>	<u>7,100,000</u>	<u>228,658</u>	<u>(108,154)</u>	<u>(350,000)</u>	<u>50,620,504</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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

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

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

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

⁵ This amendment reduces funding for information technology by \$350,000 of special funds.

Sections are added increasing motor vehicle registration fees by \$3 per year. Of the \$3 increase, \$2 is deposited in the highway tax distribution fund and \$1 in the highway fund. For the 2001-03 biennium, \$2 of each motor vehicle registration fee is being deposited directly in

the highway fund rather than in the highway tax distribution fund. This amendment increases the amount deposited directly into the highway fund by \$1 to \$3 and removes the expiration date of June 30, 2005, for this allocation. The Senate had increased motor vehicle registration fees by \$3, but deposited \$1 in the highway tax distribution fund and \$2 in the highway fund.

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

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

A section is added as an emergency, setting the speed limit on paved two-lane county and township highways at fifty-five miles an hour unless posted differently.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BOWMAN MOVED that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1012, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1012: 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 department of transportation; to authorize the department of transportation to acquire lands; to amend and reenact sections 24-01-51, 24-02-44, and 39-04-19, and subdivisions f and g of subsection 1 of section 39-09-02 of the North Dakota Century Code and section 7 of chapter 331 of the 2001 Session Laws, relating to haying of no-mow areas, department of transportation authority for emergency borrowing from the Bank of North Dakota, motor vehicle registration fees, and speed limits; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation.

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, 1 NAY, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: O'Connell

ABSENT AND NOT VOTING: Tallackson

Engrossed HB 1012, as amended, passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that HB 1003, HB 1011, and HB 1012 be messaged to the House immediately, which motion prevailed.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1011, HB 1012.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003.

MOTION

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

MOTION

SEN. CHRISTMANN MOVED that the Senate be on the Fourth, Fifth, and Seventh orders of business and at the conclusion of those orders, the Senate stand adjourned until 9:00 a.m., Friday, April 25, 2003, which motion prevailed.

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

WILLIAM R. HORTON, Secretary