

Fifty-sixth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1021

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the extension  
2 service, northern crops institute, upper great plains transportation institute, and the experiment  
3 centers; to provide for dairy diagnostic teams; to provide statements of legislative intent; and to  
4 amend and reenact sections 4-05.1-02, 4-05.1-04, 4-05.1-16, 4-05.1-17, 4-05.1-18, 4-05.1-19,  
5 4-05.1-21, and 4-08-10 of the North Dakota Century Code, relating to the state board of  
6 agricultural research.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
9 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in  
10 the state treasury, not otherwise appropriated, and from special funds derived from federal  
11 funds and other income to the North Dakota state university extension service, the northern  
12 crops institute, the upper great plains transportation institute, and the North Dakota agricultural  
13 experiment centers for the purpose of defraying the expenses of their various divisions, for the  
14 biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

15 Subdivision 1.

16 NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

17 Salaries and wages	\$24,744,286
18 Operating expenses	3,546,836
19 Equipment	432,850
20 Grants	<u>580,000</u>
21 Total all funds	\$29,303,972
22 Less estimated income	<u>16,596,765</u>
23 Total general fund appropriation	\$12,707,207

24 Subdivision 2.

1	NORTHERN CROPS INSTITUTE	
2	Salaries and wages	\$878,518
3	Operating expenses	118,650
4	Equipment	<u>72,880</u>
5	Total all funds	\$1,070,048
6	Less estimated income	<u>407,957</u>
7	Total general fund appropriation	\$662,091
8	Subdivision 3.	
9	UPPER GREAT PLAINS TRANSPORTATION INSTITUTE	
10	Salaries and wages	\$2,850,752
11	Operating expenses	2,211,908
12	Equipment	250,000
13	Grants	<u>1,150,000</u>
14	Total all funds	\$6,462,660
15	Less estimated income	<u>5,980,240</u>
16	Total general fund appropriation	\$482,420
17	Subdivision 4.	
18	MAIN RESEARCH CENTER	
19	Salaries and wages	\$38,080,539
20	Operating expenses	4,163,330
21	Equipment	1,532,746
22	Capital improvements	658,800
23	Agricultural research grants	2,000,000
24	Animal replacement	<u>300,000</u>
25	Total all funds	\$46,735,415
26	Less estimated income	<u>20,463,068</u>
27	Total general fund appropriation	\$26,272,347
28	Subdivision 5.	
29	RESEARCH CENTERS	
30	Dickinson research center	\$2,268,116
31	Central grasslands research center	1,297,963

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1	Hettinger research center	1,220,740
2	Langdon research center	1,075,049
3	North central research center	1,301,950
4	Williston research center	1,123,230
5	Carrington research center	<u>2,425,452</u>
6	Total all funds	\$10,712,500
7	Less estimated income	<u>3,921,409</u>
8	Total general fund appropriation	\$6,791,091
9	Subdivision 6.	
10	AGRONOMY SEED FARM	
11	Salaries and wages	\$342,839
12	Operating expenses	597,500
13	Equipment	172,000
14	Capital improvements	<u>90,000</u>
15	Total special funds appropriation	\$1,202,339
16	Grand total general fund appropriation H.B. 1021	\$46,915,156
17	Grand total special funds appropriation H.B. 1021	\$48,571,778
18	Grand total all funds appropriation H.B. 1021	\$95,486,934

19 **SECTION 2. ADDITIONAL INCOME - APPROPRIATION.** Any additional income  
20 including funds from the federal government and gifts and donations from private sources  
21 received by the North Dakota agricultural experiment station, northern crops institute, upper  
22 great plains transportation institute, and the North Dakota state university extension service,  
23 except as otherwise provided by law, is hereby appropriated for the purpose designated in the  
24 gift, grant, or donation for the biennium beginning July 1, 1999, and ending June 30, 2001.

25 **SECTION 3. UNEXPENDED GENERAL FUND - EXCESS INCOME.** Any unexpended  
26 general fund appropriation authority to and any excess income received by entities listed in  
27 section 1 of this Act are not subject to the provisions of section 54-44.1-11 and any  
28 unexpended funds from these appropriations or revenues are available during the biennium  
29 beginning July 1, 2001, and ending June 30, 2003, and may be expended, as directed by the  
30 state board of higher education, for capital repairs and improvements, equipment, and other  
31 one-time expenditures.

1           **SECTION 4. TRANSFER AUTHORITY.** The state board of higher education is  
2 authorized to approve transfer of funds between line items for each agency included in  
3 section 1 of this Act and shall notify the office of management and budget within ten days  
4 following the transfer.

5           **SECTION 5. TRANSFER AUTHORITY.** Upon approval of the state board of higher  
6 education and the state board of agricultural research, the director of the North Dakota  
7 agricultural experiment station may transfer appropriation authority from subdivision 4 to  
8 subdivision 5 of section 1 of this Act and shall notify the office of management and budget  
9 within ten days.

10           **SECTION 6. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The board of  
11 higher education is authorized to adjust or increase full-time equivalent positions as needed,  
12 subject to availability of funds. The board shall report any adjustments to the office of  
13 management and budget prior to the submission of the 2001-03 budget request.

14           **SECTION 7. TRANSFER AUTHORITY.** The state board of higher education is  
15 authorized to transfer to the entities in subdivisions 1 through 3 and subdivision 5 of section 1  
16 of this Act from subdivision 4 of section 1 of this Act up to \$422,400 to provide salary  
17 adjustments. The state board of higher education shall notify the office of management and  
18 budget within ten days of the transfer.

19           **SECTION 8. Dairy diagnostic teams.** The North Dakota state university extension  
20 service shall appoint regional dairy diagnostic teams consisting of agricultural business  
21 management professionals, dairy extension specialists, and dairy industry partners such as  
22 nutrition specialists, reproductive specialists, and animal health specialists. At the request of a  
23 dairy producer, a dairy diagnostic team shall conduct a site visit, offer the dairy producer  
24 educational and technological assistance, and develop a strategic plan to enhance the  
25 producer's productivity and profitability.

26           **SECTION 9. LEGISLATIVE INTENT - FUNDING FOR DAIRY DIAGNOSTIC TEAMS.**  
27 It is the intent of the fifty-sixth legislative assembly that the North Dakota state university  
28 extension service use up to the sum of \$100,000 of its 1999-2001 biennium appropriation to  
29 develop and operate the dairy diagnostic teams for the biennium beginning July 1, 1999, and  
30 ending June 30, 2001.

1           **SECTION 10. AMENDMENT.** Section 4-05.1-02 of the 1997 Supplement to the North  
2 Dakota Century Code is amended and reenacted as follows:

3           **4-05.1-02. Agricultural experiment station.** The state board of agricultural research  
4 and education and the president of North Dakota state university shall control and administer  
5 the North Dakota agricultural experiment station subject to the supervision of the state board of  
6 higher education. Funds appropriated to the agricultural experiment station may not be  
7 commingled with funds appropriated to North Dakota state university. Appropriation requests  
8 to defray expenses of the agricultural experiment station must be separate from appropriation  
9 requests to defray expenses of North Dakota state university.

10           **SECTION 11. AMENDMENT.** Section 4-05.1-04 of the 1997 Supplement to the North  
11 Dakota Century Code is amended and reenacted as follows:

12           **4-05.1-04. Reports.** Each center director shall submit an annual report to the station  
13 director as directed by the state board of agricultural research and education. Each report must  
14 set forth in detail the investigations and experiments made during the preceding year,  
15 recommendations for the welfare of the center, the financial condition of the center, how all  
16 moneys have been expended, and the results of experiments. The station director shall submit  
17 these reports, with a report of the North Dakota state university main research center, to the  
18 state board of agricultural research and education and the state board of higher education on or  
19 before the first day of September of each year. If the state board of higher education submits a  
20 biennial report to the governor and the secretary of state in accordance with section 54-06-04,  
21 the report must include a composite of the reports from the main research center and each  
22 research extension center.

23           **SECTION 12. AMENDMENT.** Section 4-05.1-16 of the 1997 Supplement to the North  
24 Dakota Century Code is amended and reenacted as follows:

25           **4-05.1-16. State board of agricultural research and education - Membership -**  
26 **Terms.**

- 27           1. The state board of agricultural research and education consists of:
- 28           a. The president of North Dakota state university;
- 29           b. The vice president of agricultural affairs at North Dakota state university;
- 30           c. The administrator of the agricultural experiment station;

- 1           d.    The five persons appointed to the agricultural consultation board by the ag  
2                    coalition and serving in that capacity on July 1, 1997;
- 3           e.    The five persons appointed to the agricultural consultation board by the  
4                    extension service's multicounty program units and serving in that capacity on  
5                    July 1, 1997;
- 6           f.    The two persons appointed to the agricultural consultation board by the  
7                    president of North Dakota state university as representatives of the state's  
8                    research extension centers and serving in that capacity on July 1, 1997;
- 9           g.    The commissioner of agriculture, who serves in an ex officio nonvoting  
10                   capacity; and
- 11          h.    The director of the North Dakota state university extension service, ~~who~~  
12                   ~~serves in an ex officio capacity.~~
- 13          2.    a.    The initial five members appointed by the ag coalition shall select their terms  
14                    by lot so that one member serves for one year, one member serves for two  
15                    years, one member serves for three years, one member serves for four years,  
16                    and one member serves for five years.
- 17          b.    The initial five members appointed by the extension service's multicounty  
18                    program units shall select their terms by lot so that one member serves for  
19                    one year, one member serves for two years, one member serves for three  
20                    years, one member serves for four years, and one member serves for five  
21                    years.
- 22          c.    The two persons appointed as representatives of the state's research  
23                    extension centers shall serve only through June 30, 1998.
- 24          3.    At the completion of each initial term, the term of office for each member is five  
25                    years, beginning on July first. No person may be appointed to a second five-year  
26                    term.
- 27          4.    a.    At least ninety days before the conclusion of the initial term of each member  
28                    appointed by the ag coalition, the ag coalition shall provide to the state board  
29                    of higher education a list of two or more names from which the state board of  
30                    higher education shall appoint a successor. Future appointments to these  
31                    five positions must be made in the same manner. The state board of higher

1 education shall ensure that four out of the five seats are held by agricultural  
2 producers.

3 b. At least ninety days before the conclusion of the initial term of each member  
4 appointed by the extension service's multicounty program units, the units  
5 through their advisory groups shall provide to the state board of higher  
6 education a list of two or more names from which the state board of higher  
7 education shall appoint a successor. Future appointments to these five  
8 positions must be made in the same manner. The state board of higher  
9 education shall ensure that four out of the five seats are held by agricultural  
10 producers.

11 **SECTION 13. AMENDMENT.** Section 4-05.1-17 of the 1997 Supplement to the North  
12 Dakota Century Code is amended and reenacted as follows:

13 **4-05.1-17. Compensation of board members - Expenses.** Each appointed member  
14 of the state board of agricultural research and education is entitled to receive sixty-two dollars  
15 and fifty cents per day as compensation for the time actually spent devoted to the duties of  
16 office and is entitled to receive necessary expenses in the same manner and amounts as state  
17 officials for attending meetings and performing other functions of office.

18 **SECTION 14. AMENDMENT.** Section 4-05.1-18 of the 1997 Supplement to the North  
19 Dakota Century Code is amended and reenacted as follows:

20 **4-05.1-18. State board of agricultural research and education - Chairman -**  
21 **Meetings.** The state board of agricultural research and education annually shall elect one of its  
22 members to serve as chairman. The board shall meet at the times and locations designated by  
23 the chairman in consultation with the vice president of agricultural affairs at North Dakota state  
24 university.

25 **SECTION 15. AMENDMENT.** Section 4-05.1-19 of the 1997 Supplement to the North  
26 Dakota Century Code is amended and reenacted as follows:

27 **4-05.1-19. State board of agricultural research and education - Duties.** Within the  
28 policies of the state board of higher education, the state board of agricultural research and  
29 education is responsible for the budgeting, supervision, and policymaking responsibilities  
30 associated with the supervision of the agricultural experiment station and the North Dakota  
31 state university extension services. The agricultural research and education board shall:

- 1 1. Determine the causes of any adverse economic impacts on crops and livestock  
2 produced in this state;
- 3 2. Develop ongoing strategies for the provision of research solutions to negate  
4 adverse economic impacts on crops and livestock produced in this state;
- 5 3. Make available financial resources, including grants and salaries, and make  
6 available equipment and facilities to implement the strategies developed under  
7 subsection 2, subject to approval by the state board of higher education;
- 8 4. Develop an annual budget for the operation of the agricultural experiment station  
9 and the North Dakota state university extension service;
- 10 5. Develop a biennial budget request and submit that request to the state board of  
11 higher education on or before March first of each even-numbered year;
- 12 6. Maximize the use of existing financial resources, equipment, and facilities to  
13 generate the greatest economic benefit from research and extension efforts and to  
14 promote efficiency;
- 15 7. Annually evaluate the results of research and extension activities and expenditures  
16 and report the findings to the legislative council and the state board of higher  
17 education;
- 18 8. Advise the administration of North Dakota state university regarding the  
19 recruitment and selection of the vice president of agricultural affairs, the extension  
20 service director, and the station director; and
- 21 9. ~~Advise the director of the extension service regarding~~ Develop ongoing strategies  
22 for the dissemination of research information and the best practices for  
23 management of the extension service.

24 **SECTION 16. AMENDMENT.** Section 4-05.1-21 of the 1997 Supplement to the North  
25 Dakota Century Code is amended and reenacted as follows:

26 **4-05.1-21. State board of agricultural research and education - Apportionment of**  
27 **research funds.**

- 28 1. The state board of agricultural research and education annually shall apportion the  
29 proceeds of the agricultural research fund as follows:
  - 30 a. Seventy percent to research activities affecting North Dakota agricultural  
31 commodities that account for at least two percent of the gross sales of all



1 agricultural commodities grown or produced in the state. The percentage of  
2 the dollars available for each agricultural commodity under this section may  
3 not exceed the percentage that the gross sales of the agricultural commodity  
4 bear to the North Dakota gross sales of all agricultural commodities grown or  
5 produced during the previous year, as determined by the agricultural statistics  
6 service;

7 b. Eighteen percent to research activities affecting North Dakota animal  
8 agriculture; and

9 c. Twelve percent to research activities affecting new and emerging crops in  
10 North Dakota.

11 2. The state board of agricultural research and education shall solicit proposals for  
12 research from the public and private sectors and shall appoint committees to  
13 review the proposals and award the agricultural research grants on a competitive  
14 basis. Each committee must consist of a majority of agricultural producers  
15 selected in consultation with the agricultural commodity groups representing  
16 commodities that are the subjects of the proposed research and may include  
17 researchers and other individuals knowledgeable about the proposed area of  
18 research. Whenever possible, the committees shall require that a grant recipient  
19 commit matching funds.

20 3. The state board of agricultural research and education shall develop policies  
21 regarding the award of research grants, including requirements for matching funds,  
22 cooperation with other in-state and out-of-state researchers, and coordination with  
23 other in-state and out-of-state proposed or ongoing research projects.

24 **SECTION 17. AMENDMENT.** Section 4-08-10 of the 1997 Supplement to the North  
25 Dakota Century Code is amended and reenacted as follows:

26 **4-08-10. Extension agent to submit monthly account of expenditures.** The  
27 extension agent shall submit monthly an accurate itemized account of all expenditures incurred  
28 by the agent in the regular conduct of duties to the North Dakota state university extension  
29 service for examination and audit. When charges are made by an extension agent for money  
30 expended in the performance of official duties, all items of one dollar or more expended and  
31 charged for must be covered by a subvoucher or receipt that must be signed by the person to

1 whom the money was paid. The subvoucher or receipt must show at what place, on what date,  
2 and for what the money expended was paid. The extension agent shall forward the  
3 subvouchers or receipts with the bill, claim, account, or demand against the county. When  
4 charges are made for transportation expenses, they may not exceed the amounts provided by  
5 section 11-10-15, and must be in itemized form showing the mileage traveled, the days when  
6 and how traveled, and the purpose thereof, verified by affidavit. The account must be  
7 transmitted and recommended for payment by the North Dakota state university extension  
8 service which shall audit the same and which may approve or disallow any expense item  
9 therein. The state board of agricultural research and education and the president of North  
10 Dakota state university shall control and administer the North Dakota state university extension  
11 service is under the control, and subject to the supervision; of the state board of higher  
12 education. Funds appropriated to the North Dakota state university extension service may not  
13 be commingled with funds appropriated to North Dakota state university. An appropriation  
14 request to defray expenses of the North Dakota state university extension service must be  
15 separate from an appropriation request to defray expenses of North Dakota state university.