

**FIRST ENGROSSMENT
with Conference Committee Amendments**

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	\$24,795,190
18 Operating expenses	3,656,836
19 Equipment	517,850
20 Grants	<u>580,000</u>
21 Total all funds	\$29,549,876
22 Less estimated income	<u>16,732,669</u>
23 Total general fund appropriation	\$12,817,207

24 Subdivision 2.

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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	\$3,076,552
11	Operating expenses	2,268,108
12	Equipment	256,000
13	Grants	<u>1,150,000</u>
14	Total all funds	\$6,750,660
15	Less estimated income	<u>6,268,240</u>
16	Total general fund appropriation	\$482,420
17	Subdivision 4.	
18	MAIN RESEARCH CENTER	
19	Salaries and wages	\$37,935,339
20	Operating expenses	4,193,330
21	Equipment	1,532,746
22	Capital improvements	748,800
23	Agricultural research grants	2,000,000
24	Animal replacement	<u>300,000</u>
25	Total all funds	\$46,710,215
26	Less estimated income	<u>20,553,068</u>
27	Total general fund appropriation	\$26,157,147
28	Subdivision 5.	
29	RESEARCH CENTERS	
30	Dickinson research center	\$2,314,316
31	Central grasslands research center	1,379,963

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

6 **SECTION 6. INITIATIVES - TRANSFER AUTHORITY.** Upon approval of the state
7 board of agricultural research and education, the director of the North Dakota agricultural
8 experiment station may transfer appropriation authority of up to \$227,335 from subdivision 4 to
9 subdivision 1 of section 1 of this Act and shall notify the office of management and budget
10 within ten days.

11 **SECTION 7. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The board of
12 higher education is authorized to adjust or increase full-time equivalent positions as needed,
13 subject to availability of funds. The board shall report any adjustments to the office of
14 management and budget prior to the submission of the 2001-03 budget request.

15 **SECTION 8. TRANSFER AUTHORITY.** The state board of higher education is
16 authorized to transfer to the entities in subdivisions 1 through 3 and subdivision 5 of section 1
17 of this Act from subdivision 4 of section 1 of this Act up to \$422,400 to provide salary
18 adjustments. The state board of higher education shall notify the office of management and
19 budget within ten days of the transfer.

20 **SECTION 9. Dairy diagnostic teams.** The North Dakota state university extension
21 service shall appoint regional dairy diagnostic teams consisting of agricultural business
22 management professionals, dairy extension specialists, and dairy industry partners such as
23 nutrition specialists, reproductive specialists, and animal health specialists. At the request of a
24 dairy producer, a dairy diagnostic team shall conduct a site visit, offer the dairy producer
25 educational and technological assistance, and develop a strategic plan to enhance the
26 producer's productivity and profitability.

27 **SECTION 10. ESTIMATED INCOME - MAIN RESEARCH CENTER - ENVIRONMENT**
28 **AND RANGELAND PROTECTION FUND.** The estimated income line item in subdivision 4 of
29 section 1 of this Act includes the sum of \$90,000, or so much of the sum as may be necessary,
30 from the environment and rangeland protection fund for the purpose of constructing chemical

1 handling facilities at select research centers for the biennium beginning July 1, 1999, and
2 ending June 30, 2001.

3 **SECTION 11. ESTIMATED INCOME - TRANSPORTATION INSTITUTE -**

4 **DEPARTMENT OF TRANSPORTATION.** The estimated income line item in subdivision 3 of
5 section 1 of this Act includes \$188,000 of federal strategic planning and research funds from
6 the department of transportation. The director of the department of transportation may not
7 transfer the \$188,000 of federal funds until the director of the upper great plains transportation
8 institute has certified to the department of transportation that the institute has raised \$100,000
9 to supplement the federal funds available from the department of transportation for the strategic
10 freight transportation analysis for the biennium beginning July 1, 1999, and ending June 30,
11 2001.

12 **SECTION 12. LEGISLATIVE INTENT - SOIL CONSERVATION DISTRICT**

13 **SUPERVISOR TRAINING.** It is the intent of the fifty-sixth legislative assembly that the NDSU
14 extension service use the funding provided for the soil conservation leadership initiative only for
15 providing training to soil conservation district supervisors and that the training address specific
16 issues and concerns of the local district supervisors for the biennium beginning July 1, 1999,
17 and ending June 30, 2001.

18 **SECTION 13. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION**

19 **- REPORT TO LEGISLATIVE COUNCIL.** The state board of agricultural research and
20 education shall report periodically to the legislative council or a committee designated by the
21 council on its activities associated with researching and developing market opportunities for
22 biotechnologically enhanced crops for the biennium beginning July 1, 1999, and ending
23 June 30, 2001.

24 **SECTION 14. AMENDMENT.** Section 4-05.1-02 of the 1997 Supplement to the North
25 Dakota Century Code is amended and reenacted as follows:

26 **4-05.1-02. Agricultural experiment station.** The state board of agricultural research
27 and education and the president of North Dakota state university shall control and administer
28 the North Dakota agricultural experiment station subject to the supervision of the state board of
29 higher education. Funds appropriated to the agricultural experiment station may not be
30 commingled with funds appropriated to North Dakota state university. Appropriation requests

1 to defray expenses of the agricultural experiment station must be separate from appropriation
2 requests to defray expenses of North Dakota state university.

3 **SECTION 15. AMENDMENT.** Section 4-05.1-04 of the 1997 Supplement to the North
4 Dakota Century Code is amended and reenacted as follows:

5 **4-05.1-04. Reports.** Each center director shall submit an annual report to the station
6 director as directed by the state board of agricultural research and education. Each report must
7 set forth in detail the investigations and experiments made during the preceding year,
8 recommendations for the welfare of the center, the financial condition of the center, how all
9 moneys have been expended, and the results of experiments. The station director shall submit
10 these reports, with a report of the North Dakota state university main research center, to the
11 state board of agricultural research and education and the state board of higher education on or
12 before the first day of September of each year. If the state board of higher education submits a
13 biennial report to the governor and the secretary of state in accordance with section 54-06-04,
14 the report must include a composite of the reports from the main research center and each
15 research extension center.

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

18 **4-05.1-16. State board of agricultural research and education - Membership -**
19 **Terms.**

- 20 1. The state board of agricultural research and education consists of:
- 21 a. The president of North Dakota state university;
 - 22 b. The vice president of agricultural affairs at North Dakota state university;
 - 23 c. The administrator of the agricultural experiment station;
 - 24 d. The five persons appointed to the agricultural consultation board by the ag
25 coalition and serving in that capacity on July 1, 1997;
 - 26 e. The five persons appointed to the agricultural consultation board by the
27 extension service's multicounty program units and serving in that capacity on
28 July 1, 1997;
 - 29 f. The two persons appointed to the agricultural consultation board by the
30 president of North Dakota state university as representatives of the state's
31 research extension centers and serving in that capacity on July 1, 1997;

- 1 g. The commissioner of agriculture, who serves in an ex officio nonvoting
2 capacity; and
- 3 h. The director of the North Dakota state university extension service, ~~who~~
4 ~~serves in an ex officio capacity.~~
- 5 2. a. The initial five members appointed by the ag coalition shall select their terms
6 by lot so that one member serves for one year, one member serves for two
7 years, one member serves for three years, one member serves for four years,
8 and one member serves for five years.
- 9 b. The initial five members appointed by the extension service's multicounty
10 program units shall select their terms by lot so that one member serves for
11 one year, one member serves for two years, one member serves for three
12 years, one member serves for four years, and one member serves for five
13 years.
- 14 c. The two persons appointed as representatives of the state's research
15 extension centers shall serve only through June 30, 1998.
- 16 3. At the completion of each initial term, the term of office for each member is five
17 years, beginning on July first. No person may be appointed to a second five-year
18 term.
- 19 4. a. At least ninety days before the conclusion of the initial term of each member
20 appointed by the ag coalition, the ag coalition shall provide to the state board
21 of higher education a list of ~~two~~ one or more names from which the state
22 board of higher education shall appoint a successor. Future appointments to
23 these five positions must be made in the same manner. The state board of
24 higher education shall ensure that four out of the five seats are held by
25 agricultural producers.
- 26 b. At least ninety days before the conclusion of the initial term of each member
27 appointed by the extension service's multicounty program units, the units
28 through their advisory groups shall provide to the state board of higher
29 education a list of ~~two~~ one 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 **SECTION 17. AMENDMENT.** Section 4-05.1-17 of the 1997 Supplement to the North
4 Dakota Century Code is amended and reenacted as follows:

5 **4-05.1-17. Compensation of board members - Expenses.** Each appointed member
6 of the state board of agricultural research and education is entitled to receive sixty-two dollars
7 and fifty cents per day as compensation for the time actually spent devoted to the duties of
8 office and is entitled to receive necessary expenses in the same manner and amounts as state
9 officials for attending meetings and performing other functions of office.

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

12 **4-05.1-18. State board of agricultural research and education - Chairman -**
13 **Meetings.** The state board of agricultural research and education annually shall elect one of its
14 members to serve as chairman. The board shall meet at the times and locations designated by
15 the chairman in consultation with the vice president of agricultural affairs at North Dakota state
16 university.

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

19 **4-05.1-19. State board of agricultural research and education - Duties.** Within the
20 policies of the state board of higher education, the state board of agricultural research and
21 education is responsible for the budgeting, supervision, and policymaking responsibilities
22 associated with the supervision of the agricultural experiment station and the North Dakota
23 state university extension service. The agricultural research and education board shall:

- 24 1. Determine the causes of any adverse economic impacts on crops and livestock
25 produced in this state;
- 26 2. Develop ongoing strategies for the provision of research solutions to negate
27 adverse economic impacts on crops and livestock produced in this state;
- 28 3. Make available financial resources, including grants and salaries, and make
29 available equipment and facilities to implement the strategies developed under
30 subsection 2, subject to approval by the state board of higher education;

- 1 4. Develop an annual budget for the operation of the agricultural experiment station
2 and the North Dakota state university extension service;
- 3 5. Develop a biennial budget request and submit that request to the state board of
4 higher education on or before March first of each even-numbered year;
- 5 6. Maximize the use of existing financial resources, equipment, and facilities to
6 generate the greatest economic benefit from research and extension efforts and to
7 promote efficiency;
- 8 7. Annually evaluate the results of research and extension activities and expenditures
9 and report the findings to the legislative council and the state board of higher
10 education;
- 11 8. Advise the administration of North Dakota state university regarding the
12 recruitment and selection of the vice president of agricultural affairs, the extension
13 service director, and the station director; and
- 14 9. ~~Advise the director of the extension service regarding~~ Develop ongoing strategies
15 for the dissemination of research information and the best practices for
16 management of the extension service.

17 **SECTION 20. AMENDMENT.** Section 4-05.1-21 of the 1997 Supplement to the North
18 Dakota Century Code is amended and reenacted as follows:

19 **4-05.1-21. State board of agricultural research and education - Apportionment of**
20 **research funds.**

- 21 1. The state board of agricultural research and education annually shall apportion the
22 proceeds of the agricultural research fund as follows:
 - 23 a. Seventy percent to research activities affecting North Dakota agricultural
24 commodities that account for at least two percent of the gross sales of all
25 agricultural commodities grown or produced in the state. The percentage of
26 the dollars available for each agricultural commodity under this section may
27 not exceed the percentage that the gross sales of the agricultural commodity
28 bear to the North Dakota gross sales of all agricultural commodities grown or
29 produced during the previous year, as determined by the agricultural statistics
30 service;

- 1 b. Eighteen percent to research activities affecting North Dakota animal
2 agriculture; and
- 3 c. Twelve percent to research activities affecting new and emerging crops in
4 North Dakota.
- 5 2. The state board of agricultural research and education shall solicit proposals for
6 research from the public and private sectors and shall appoint committees to
7 review the proposals and award the agricultural research grants on a competitive
8 basis. Each committee must consist of a majority of agricultural producers
9 selected in consultation with the agricultural commodity groups representing
10 commodities that are the subjects of the proposed research and may include
11 researchers and other individuals knowledgeable about the proposed area of
12 research. Whenever possible, the committees shall require that a grant recipient
13 commit matching funds.
- 14 3. The state board of agricultural research and education shall develop policies
15 regarding the award of research grants, including requirements for matching funds,
16 cooperation with other in-state and out-of-state researchers, and coordination with
17 other in-state and out-of-state proposed or ongoing research projects.

18 **SECTION 21. AMENDMENT.** Section 4-08-10 of the 1997 Supplement to the North
19 Dakota Century Code is amended and reenacted as follows:

20 **4-08-10. Extension agent to submit monthly account of expenditures.** The
21 extension agent shall submit monthly an accurate itemized account of all expenditures incurred
22 by the agent in the regular conduct of duties to the North Dakota state university extension
23 service for examination and audit. When charges are made by an extension agent for money
24 expended in the performance of official duties, all items of one dollar or more expended and
25 charged for must be covered by a subvoucher or receipt that must be signed by the person to
26 whom the money was paid. The subvoucher or receipt must show at what place, on what date,
27 and for what the money expended was paid. The extension agent shall forward the
28 subvouchers or receipts with the bill, claim, account, or demand against the county. When
29 charges are made for transportation expenses, they may not exceed the amounts provided by
30 section 11-10-15, and must be in itemized form showing the mileage traveled, the days when
31 and how traveled, and the purpose thereof, verified by affidavit. The account must be

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1 transmitted and recommended for payment by the North Dakota state university extension
2 service which shall audit the same and which may approve or disallow any expense item
3 therein. The state board of agricultural research and education and the president of North
4 Dakota state university shall control and administer the North Dakota state university extension
5 service ~~is under the control, and~~ subject to the supervision; of the state board of higher
6 education. Funds appropriated to the North Dakota state university extension service may not
7 be commingled with funds appropriated to North Dakota state university. An appropriation
8 request to defray expenses of the North Dakota state university extension service must be
9 separate from an appropriation request to defray expenses of North Dakota state university.