

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Tuesday, the fifth day of January,
one thousand nine hundred and ninety-nine**

HOUSE BILL NO. 1021
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, and the experiment centers; to provide for dairy diagnostic teams; to provide statements of legislative intent; and to 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, 4-05.1-21, and 4-08-10 of the North Dakota Century Code, relating to the state board of agricultural research.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Salaries and wages	\$24,795,190
Operating expenses	3,656,836
Equipment	517,850
Grants	580,000
Total all funds	\$29,549,876
Less estimated income	16,732,669
Total general fund appropriation	\$12,817,207

Subdivision 2.

NORTHERN CROPS INSTITUTE

Salaries and wages	\$878,518
Operating expenses	118,650
Equipment	72,880
Total all funds	\$1,070,048
Less estimated income	407,957
Total general fund appropriation	\$662,091

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Salaries and wages	\$3,076,552
Operating expenses	2,268,108
Equipment	256,000
Grants	1,150,000
Total all funds	\$6,750,660
Less estimated income	6,268,240
Total general fund appropriation	\$482,420

Subdivision 4.

MAIN RESEARCH CENTER

Salaries and wages	\$37,935,339
Operating expenses	4,193,330

Equipment	1,532,746
Capital improvements	748,800
Agricultural research grants	2,000,000
Animal replacement	<u>300,000</u>
Total all funds	\$46,710,215
Less estimated income	<u>20,553,068</u>
Total general fund appropriation	\$26,157,147

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$2,314,316
Central grasslands research center	1,379,963
Hettinger research center	1,297,740
Langdon research center	1,075,049
North central research center	1,301,950
Williston research center	1,123,230
Carrington research center	<u>2,435,452</u>
Total all funds	\$10,927,700
Less estimated income	<u>3,921,409</u>
Total general fund appropriation	\$7,006,291

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	<u>\$1,202,339</u>
Total special funds appropriation	\$1,202,339
Grand total general fund appropriation H.B. 1021	\$47,125,156
Grand total special funds appropriation H.B. 1021	\$49,085,682
Grand total all funds appropriation H.B. 1021	\$96,210,838

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

SECTION 3. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations or revenues are available and may be expended during the biennium beginning July 1, 2001, and ending June 30, 2003.

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

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

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

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

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

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

SECTION 10. ESTIMATED INCOME - MAIN RESEARCH CENTER - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$90,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of constructing chemical handling facilities at select research centers for the biennium beginning July 1, 1999, and ending June 30, 2001.

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

SECTION 12. LEGISLATIVE INTENT - SOIL CONSERVATION DISTRICT SUPERVISOR TRAINING. It is the intent of the fifty-sixth legislative assembly that the NDSU extension service use the funding provided for the soil conservation leadership initiative only for providing training to soil conservation district supervisors and that the training address specific issues and concerns of the local district supervisors for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 13. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION - REPORT TO LEGISLATIVE COUNCIL. The state board of agricultural research and education shall report periodically to the legislative council or a committee designated by the council on its activities associated with researching and developing market opportunities for biotechnologically enhanced crops for the biennium beginning July 1, 1999, and ending June 30, 2001.

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

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

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

4-05.1-04. Reports. Each center director shall submit an annual report to the station director as directed by the state board of agricultural research and education. Each report must set forth in detail the investigations and experiments made during the preceding year, recommendations for the welfare of the center, the financial condition of the center, how all moneys have been expended, and the results of experiments. The station director shall submit these reports, with a report of the North Dakota state university main research center, to the state board of agricultural research and education and the state board of higher education on or before the first day of September of each year. If the

state board of higher education submits a biennial report to the governor and the secretary of state in accordance with section 54-06-04, the report must include a composite of the reports from the main research center and each research extension center.

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

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

1. The state board of agricultural research and education consists of:
 - a. The president of North Dakota state university;
 - b. The vice president of agricultural affairs at North Dakota state university;
 - c. The administrator of the agricultural experiment station;
 - d. The five persons appointed to the agricultural consultation board by the ag coalition and serving in that capacity on July 1, 1997;
 - e. The five persons appointed to the agricultural consultation board by the extension service's multicounty program units and serving in that capacity on July 1, 1997;
 - f. The two persons appointed to the agricultural consultation board by the president of North Dakota state university as representatives of the state's research extension centers and serving in that capacity on July 1, 1997;
 - g. The commissioner of agriculture, who serves in an ex officio nonvoting capacity; and
 - h. The director of the North Dakota state university extension service, ~~who serves in an ex officio capacity.~~
2.
 - a. The initial five members appointed by the ag coalition shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
 - b. The initial five members appointed by the extension service's multicounty program units shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
 - c. The two persons appointed as representatives of the state's research extension centers shall serve only through June 30, 1998.
3. At the completion of each initial term, the term of office for each member is five years, beginning on July first. No person may be appointed to a second five-year term.
4.
 - a. At least ninety days before the conclusion of the initial term of each member appointed by the ag coalition, the ag coalition shall provide to the state board of higher education a list of ~~two~~ one or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.
 - b. At least ninety days before the conclusion of the initial term of each member appointed by the extension service's multicounty program units, the units through their advisory groups shall provide to the state board of higher education a list of ~~two~~ one or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.

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

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

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

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

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

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

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

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

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

1. The state board of agricultural research and education annually shall apportion the proceeds of the agricultural research fund as follows:
 - a. Seventy percent to research activities affecting North Dakota agricultural commodities that account for at least two percent of the gross sales of all agricultural commodities grown or produced in the state. The percentage of the dollars available for each agricultural commodity under this section may not exceed the percentage that the gross sales of the agricultural commodity bear to the North Dakota gross sales of all agricultural commodities grown or produced during the previous year, as determined by the agricultural statistics service;
 - b. Eighteen percent to research activities affecting North Dakota animal agriculture; and
 - c. Twelve percent to research activities affecting new and emerging crops in North Dakota.
2. The state board of agricultural research and education shall solicit proposals for research from the public and private sectors and shall appoint committees to review the proposals and award the agricultural research grants on a competitive basis. Each committee must consist of a majority of agricultural producers selected in consultation with the agricultural commodity groups representing commodities that are the subjects of the proposed research and may include researchers and other individuals knowledgeable about the proposed area of research. Whenever possible, the committees shall require that a grant recipient commit matching funds.
3. The state board of agricultural research and education shall develop policies regarding the award of research grants, including requirements for matching funds, cooperation with other in-state and out-of-state researchers, and coordination with other in-state and out-of-state proposed or ongoing research projects.

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

4-08-10. Extension agent to submit monthly account of expenditures. The extension agent shall submit monthly an accurate itemized account of all expenditures incurred by the agent in the regular conduct of duties to the North Dakota state university extension service for examination and audit. When charges are made by an extension agent for money expended in the performance of official duties, all items of one dollar or more expended and charged for must be covered by a subvoucher or receipt that must be signed by the person to whom the money was paid. The subvoucher or receipt must show at what place, on what date, and for what the money expended was paid. The extension agent shall forward the subvouchers or receipts with the bill, claim, account, or demand against the county. When charges are made for transportation expenses, they may not exceed the amounts provided by section 11-10-15, and must be in itemized form showing the mileage traveled, the days when and how traveled, and the purpose thereof, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit the same and which may approve or disallow any expense item therein. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota state university extension service ~~is under the control,~~ ~~and~~ subject to the supervision, of the state board of higher education. Funds appropriated to the North Dakota state university extension service may not be commingled with funds appropriated to North Dakota state university. An appropriation request to defray expenses of the North Dakota state university extension service must be separate from an appropriation request to defray expenses of North Dakota state university.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1021.

House Vote: Yeas 96 Nays 0 Absent 2

Senate Vote: Yeas 45 Nays 0 Absent 4

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1999.

Approved at _____ M. on _____, 1999.

Governor

Filed in this office this _____ day of _____, 1999,

at _____ o'clock _____ M.

Secretary of State