

## JOURNAL OF THE SENATE

## Sixtieth Legislative Assembly

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Bismarck, April 23, 2007

The Senate convened at 8:00 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Mathern

The roll was called and all members were present except Senators Behm and Tallackson.

A quorum was declared by the President.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. CHRISTMANN MOVED** that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on SB 2014, which motion prevailed.

**THE PRESIDENT APPOINTED** as a new Conference Committee on:

**SB 2014:** Sens. Fischer, Grindberg, O'Connell

**REPORT OF CONFERENCE COMMITTEE**

**SB 2293:** Your conference committee (Sens. Tollefson, Urlacher, Triplett and Reps. Porter, Damschen, S. Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 755-756 and place SB 2293 on the Seventh order.

SB 2293 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. TOLLEFSON MOVED** that the conference committee report on SB 2293 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2379, as reengrossed:** Your conference committee (Sens. Erbele, J. Lee, Warner and Reps. Weisz, Pietsch, Schneider) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 983-984, adopt amendments as follows, and place SB 2379 on the Seventh order:

That the House recede from its amendments as printed on pages 983 and 984 of the Senate Journal and pages 1052 and 1053 of the House Journal and that Reengrossed Senate Bill No. 2379 be amended as follows:

Page 1, line 1, remove "conduct an assessment of"

Page 1, line 2, remove "the possible nursing student population and to"

Page 1, line 3, after "laboratory" insert "; to provide statements of legislative intent; to provide for a report to the legislative council"

Page 1, line 17, replace "medical association" with "nurses association nursing practice council leadership team"

Page 1, line 23, replace "2007 to 2009" with "July 1, 2007, through December 31, 2009"

Page 2, remove lines 1 through 5

Page 2, line 6, replace "4." with "3.", replace "The" with "If the consortium secures nonstate funds to cover the capital costs of a mobile clinical nursing simulation laboratory program, the", and replace "shall" with "may"

Page 2, line 8, replace the underscored comma with "and"

Page 2, line 9, replace ", and provide" with an underscored period

Page 2, remove lines 10 through 12

Page 2, line 13, replace "5." with "4." and replace "The" with "If the consortium establishes a mobile clinical nursing simulation laboratory program, the"

Page 2, line 16, replace "6." with "5."

Page 2, line 21, after the second "the" insert "simulation laboratory program and the activities of the"

Page 2, line 23, replace "\$500,000" with "\$200,000"

Page 2, line 25, replace "nursing education consortium" with "costs of a simulation laboratory program"

Page 2, after line 26, insert:

**"SECTION 3. STATE BOARD OF HIGHER EDUCATION - LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the state board of higher education establish and implement a policy and procedure for institutions of higher education under the control of the board to participate in systemwide initiatives.

**SECTION 4. COMPETITIVE GRANT ELIGIBILITY - LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the nursing education consortium apply for public and private grants to assist in financing section 1 of this Act and that state agencies interpret grant application guidelines broadly to allow the nursing education consortium to be eligible to apply for grants."

Renumber accordingly

Reengrossed SB 2379 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ERBELE MOVED** that the conference committee report on Reengrossed SB 2379 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2379, as amended, was placed on the Eleventh order.

#### **SECOND READING OF SENATE BILL**

**SB 2379:** A BILL for an Act to provide for a nursing education consortium to establish a mobile clinical nursing simulation laboratory; to provide statements of legislative intent; to provide for a report to the legislative council; to provide an appropriation; and to provide a continuing appropriation.

#### **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, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebigger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Reengrossed SB 2379 passed and the title was agreed to.

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#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2030, as engrossed:** Your conference committee (Sens. G. Lee, Flakoll, Taylor and Reps. R. Kelsch, L. Meier, Mueller) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1214-1217, adopt amendments as follows, and place SB 2030 on the Seventh order:

That the House recede from its amendments as printed on pages 1214-1217 of the Senate Journal and pages 1247-1250 of the House Journal and that Engrossed Senate Bill No. 2030 be amended as follows:

Page 1, line 1, after "enact" insert "a new section to chapter 15.1-09," and after "15.1-09.1" insert ", and a new section to chapter 15.1-13"

Page 1, line 2, replace "area service providers" with "authorization for prekindergarten programs, regional education associations, and student teaching requirements" and after "sections" insert "12.1-06-05,"

Page 1, line 3, after "Code" insert "and section 28 of chapter 167 of the 2005 Session Laws" and after "to" insert "the renouncement of criminal intent,"

Page 1, line 4, replace "and" with a comma and after "managers" insert ", and contingent distributions of per student payments"

Page 1, line 5, remove the first "and" and after "15.1-27-40" insert ", and 54-35-21"

Page 1, line 6, after "agreements" insert "and the no child left behind statutory committee", remove "and", and after "provide" insert "for legislative council studies; to provide"

Page 1, line 7, after "council" insert "; to provide an effective date; and to declare an emergency"

Page 1, after line 8, insert:

**"SECTION 1. AMENDMENT.** Section 12.1-06-05 of the North Dakota Century Code, as amended by section 1 of Senate Bill No. 2262, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

**12.1-06-05. General provisions.**

1. The definition of an offense in sections 12.1-06-01 to 12.1-06-04 does not apply to another offense also defined in sections 12.1-06-01 to 12.1-06-04.
2. Whenever "attempt" or "conspiracy" is made an offense outside this chapter, it means attempt or conspiracy, as the case may be, as defined in this chapter.
3.
  - a. Other than as provided in subsection 4, in a prosecution under section 12.1-06-01, it is an affirmative defense that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant avoided the commission of the crime attempted by abandoning any criminal effort and, if mere abandonment was insufficient to accomplish such avoidance, by taking further and affirmative steps which prevented the commission thereof.
  - b. Other than as provided in subsection 4, in a prosecution under section 12.1-06-03 or 12.1-06-04, it is an affirmative defense that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant prevented the commission of the crime solicited or of the crime or crimes contemplated by the conspiracy.
  - c. A renunciation is not "voluntary and complete" within the meaning of this section if it is motivated in whole or in part by (1) a belief that a circumstance exists which increases the probability of detection or apprehension of the defendant or another participant in the criminal operation, or which makes more difficult the consummation of the crime, or (2) a decision to postpone the criminal conduct until another time or to substitute another victim, or another but similar objective.
4. An individual ~~under the age of twenty one~~ is immune from prosecution under this chapter if:
  - a. The individual voluntarily and completely renounced the individual's criminal intent;
  - b. The individual is a student enrolled in an elementary school, middle school, or a high school in this state or is enrolled at an institution of higher education in this state;
  - c. The offense would have resulted in:

- (1) Harm to another student enrolled in an elementary school, middle school, or a high school in this state;
  - (2) Harm to another student enrolled in an institution of higher education in this state;
  - (3) Harm to an employee of a school district or a nonpublic school in this state; ~~or~~
  - ~~(3)~~ (4) Harm to an employee of an institution of higher education in this state; or
  - (5) Damage to a school building or school property of a school district in this state or property of an institution of higher education in this state; and
- d. The renunciation was given to a law enforcement officer ~~or~~, to an administrator of a school or school district in this state, or to an official of an institution of higher education in this state before any harm to others or damage to property occurs."

Page 1, line 13, replace "area service providers" with "regional education associations"

Page 1, line 15, replace "area service providers" with "regional education associations"

Page 4, after line 4, insert:

**"SECTION 5.** A new section to chapter 15.1-09 of the North Dakota Century Code is created and enacted as follows:

**Prekindergarten program - Authorization - Support.** The board of a school district may establish a prekindergarten program and may receive and expend any state moneys specifically appropriated for the program, any federal funds specifically appropriated or approved for the program, and any gifts, grants, and donations specifically given for the program."

Page 4, line 7, replace "area service provider" with "regional education association"

Page 4, line 11, replace "**Area service provider**" with "**Regional education association**"

Page 4, line 13, replace "an area service provider" with "a regional education association"

Page 5, line 1, replace "area service providers" with "regional education associations"

Page 5, line 2, replace "area service providers from providing" with "regional education associations to provide"

Page 5, line 9, replace "an area service provider" with "a regional education association"

Page 5, line 12, replace "an area service provider" with "a regional education association"

Page 5, line 15, replace "an area service provider" with "a regional education association"

Page 6, line 19, replace "an area service provider" with "a regional education association"

Page 7, line 9, replace "area service provider" with "regional education association"

Page 7, line 11, replace "area service provider" with "regional education association"

Page 7, line 12, replace "area service provider" with "regional education association"

Page 7, line 13, replace "area service provider" with "regional education association"

Page 7, line 14, remove "area service"

Page 7, line 15, remove "provider"

Page 7, line 16, replace "**Area service providers**" with "**Regional education association**"

Page 7, line 17, replace "An area service provider" with "A regional education association"

Page 7, line 20, replace "**Area service providers**" with "**Regional education association**"

Page 7, line 21, replace "An area service provider" with "A regional education association"

Page 7, line 28, replace "**Area service providers**" with "**Regional education association**"

Page 7, line 29, replace "An area service provider" with "A regional education association"

Page 7, after line 31, insert:

**15.1-09.1-06. Regional education associations - Receipt and use of moneys.** The board of a regional education association may receive and expend moneys for the provision of administrative functions, student services, and any other lawful activities.

Page 8, line 1, replace "**15.1-09.1-06**" with "**15.1-09.1-07**" and replace "an area" with "a regional education association"

Page 8, line 2, remove "service provider"

Page 8, line 3, replace "provider's" with "association's"

Page 8, line 4, replace "provider's" with "association's"

Page 8, line 5, replace "**15.1-09.1-07. Area service provider**" with "**15.1-09.1-08. Regional education association**"

Page 8, line 6, replace "an area service provider" with "a regional education association"

Page 8, line 8, replace "provider" with "association"

Page 8, line 10, replace "area service" with "regional education association"

Page 8, line 11, remove "provider" and replace "provider's" with "association's"

Page 8, line 12, replace "**15.1-09.1-08**" with "**15.1-09.1-09**"

Page 8, line 13, replace "an area service provider" with "a regional education association"

Page 8, line 18, replace "**15.1-09.1-09**" with "**15.1-09.1-10**" and replace "**area service provider**" with "**a regional education association**"

Page 8, line 21, replace "an area service provider" with "a regional education association" and replace "area service provider of" with "association in"

Page 8, line 22, replace "is a member" with "participates"

Page 8, line 27, replace "an area service provider" with "a regional education association"

Page 8, after line 29, insert:

**SECTION 7.** A new section to chapter 15.1-13 of the North Dakota Century Code is created and enacted as follows:

**Student teaching requirements - Teachers licensed in other states.** If an individual who is or was licensed to teach in another state applies for a license to teach in this state, the education standards and practices board may not impose on the individual any student teaching requirements as a condition of licensure. This section is applicable to an individual who graduated from a state-approved regular education program but not to an individual who completed an alternative education program as a condition of licensure.

Page 9, line 4, replace "an area service provider" with "a regional education association"

Page 9, after line 18, insert:

**SECTION 10. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional ~~per student~~ payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.
  - a. The superintendent of public instruction shall distribute during the 2007-09 biennium \$45,000, or so much of that amount as may be necessary, as grants in the amount of five thousand dollars each to any educational association that commits to the development and implementation of a teacher mentoring program for first-year, second-year, and third-year teachers employed by school districts participating in the association. If any of this amount remains after meeting the requirements of this subdivision, the superintendent shall distribute those funds as additional per student payments on a prorated basis to school districts participating in educational associations.
  - b. The superintendent of public instruction shall distribute \$955,000, or so much of the sum as may be necessary, as additional per student payments to school districts participating in eligible educational associations as provided in section 32 of chapter 167 of the 2005 Session Laws.
3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 11. LEGISLATIVE COUNCIL STUDY - HIGH SCHOOL CURRICULA.** The legislative council shall consider studying, during the 2007-08 interim, the appropriateness and adequacy of high school curricula, with respect to preparing students for higher education and for the workplace. The study should examine curricular changes implemented in other states and expectations placed on students in other countries. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 12. LEGISLATIVE COUNCIL STUDY - SERVICES TO ENGLISH LANGUAGE LEARNERS.** The legislative council shall consider studying, during the 2007-08 interim, the delivery of services to English language learners, including federal requirements, instructional options, assistance from the private sector, and the short-term and long-term budgetary impacts on the school districts and taxpayers of the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 13. LEGISLATIVE COUNCIL STUDY - REAUTHORIZATION OF THE NO CHILD LEFT BEHIND ACT.** The legislative council shall consider studying, during the 2007-08 interim, the reauthorization of the No Child Left Behind Act, including the effect of proposed changes on the students, teachers, and school districts of this state, the manner in which state assessments are conducted, the reporting and utilization of assessment results, and the performance of North Dakota students. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 14. LEGISLATIVE COUNCIL STUDY - AFTERSCHOOL PROGRAMS.** The legislative council shall consider studying, during the 2007-08 interim, federally funded afterschool programs being offered to North Dakota students, including the content of the programs, applicable regulations, targeted students, and the direct and indirect costs and benefits of the programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 15. LEGISLATIVE COUNCIL STUDY - TEACHER MENTORING.** The legislative council shall consider studying, during the 2007-08 interim, the feasibility and desirability of supporting teacher mentoring programs in urban and rural school districts and the most effective and efficient ways teacher mentoring programs could be implemented and delivered, including consideration of the identification and preparation of mentors and the styles, strategies, and professional development needs that would assist novice teachers in surviving, thriving, and ultimately deciding to consider teaching as a lifelong career. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-first legislative assembly.

**SECTION 16. LEGISLATIVE COUNCIL STUDY - REGIONAL EDUCATION ASSOCIATIONS.** The legislative council shall consider studying, during the 2007-08 interim, the short-term and long-term evolution of regional education associations and shall include the feasibility and desirability of regional education associations becoming political subdivisions; whether teachers should be employed directly by regional education associations, and whether that employment should include bargaining rights, contract renewal and nonrenewal provisions, participation in the teachers' fund for retirement, and participation in the state's uniform group insurance program; the impact that allowing regional education associations to hire teachers directly would have on the recruitment and retention of teachers currently employed by school districts and on teacher salary levels; whether teacher employment contracts, if offered by regional education associations, would have to parallel those of participating school districts with respect to common school calendars, annual or personal leave provisions, and other contractual benefits; the conduct of evaluations, if teachers are employed directly by regional education associations, including who will conduct the evaluations, their frequency, and the criteria upon which the evaluations are based; the organizational structure of regional education associations, including the qualifications of administrative or supervisory personnel; the governance structure of regional education associations; and state level oversight. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 9, line 19, replace "AREA SERVICE PROVIDERS" with "REGIONAL EDUCATION ASSOCIATIONS"

Page 9, line 20, remove "GOVERNED BY JOINT POWERS AGREEMENTS"

Page 9, line 22, replace "area service provider" with "regional education association"

Page 9, line 24, replace "area service provider" with "regional education association"

Page 9, line 25, replace "area service providers" with "regional education associations"

Page 9, line 30, remove "and" and after "15.1-27-40" insert ", and 54-35-21"

Page 9, after line 31, insert:

"**SECTION 19. EFFECTIVE DATE.** Sections 2 through 9 and sections 11 through 18 of this Act become effective on July 1, 2007.

**SECTION 20. EMERGENCY.** This Act is declared to be an emergency measure."

Re-number accordingly

Engrossed SB 2030 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**  
**SEN. G. LEE MOVED** that the conference committee report on Engrossed SB 2030 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2030, as amended, was placed on the Eleventh order.

### SECOND READING OF SENATE BILL

**SB 2030:** A BILL for an Act to create and enact a new section to chapter 15.1-09, chapter 15.1-09.1, and a new section to chapter 15.1-13 of the North Dakota Century Code, relating to authorization for prekindergarten programs, regional education associations, and student teaching requirements; to amend and reenact sections 12.1-06-05, 15.1-02-08, 15.1-07-23, 15.1-09-33, 15.1-32-08, and 15.1-33-02 of the North Dakota Century Code and section 28 of chapter 167 of the 2005 Session Laws, relating to the renouncement of criminal intent, accounting procedures, school district business managers, and contingent distributions of per student payments; to repeal sections 15.1-07-28, 15.1-07-30, 15.1-27-40, and 54-35-21 of the North Dakota Century Code, relating to criteria for and expenditures by educational associations governed by joint powers agreements and the no child left behind statutory committee; to provide for legislative council studies; to provide for a report to the legislative council; to provide an effective 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Reengrossed SB 2030 passed, the title was agreed to, and the emergency clause was declared carried.

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### MOTION

**SEN. CHRISTMANN MOVED** that Sen. Grindberg replace Sen. Olafson on the Senate conference committee on SB 2260, 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: SB 2030, SB 2379.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2293.

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

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

**SB 2014:** Sens. Fischer; Grindberg; O'Connell

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

**MR. SPEAKER:** The President has appointed Sen. Grindberg to replace Sen. Olafson on the Conference Committee on SB 2260.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

**MR. PRESIDENT:** The House has passed unchanged: SCR 4038.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1002, HB 1005, HB 1006, HB 1007, HB 1011, HB 1106, HB 1233, HB 1311, HB 1433, HB 1466.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

**MR. PRESIDENT:** The House has not adopted the conference committee report on: HB 1012.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

**MR. PRESIDENT:** The Speaker has appointed Rep. Williams to replace Rep. Kroeber on the Conference Committee on HB 1001.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has appointed Rep. Wieland to replace Rep. Koppelman on the Conference Committee on SB 2260.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2046, SB 2352.

**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.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Andrist, Chairman)** has carefully examined the Journal of the Seventy-fifth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1504, line 12, replace "SB 2393" with "SB 2293"

**SEN. ANDRIST MOVED** that the report be adopted, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2200, as engrossed:** Your conference committee (Sens. Freborg, Flakoll, Taylor and Reps. R. Kelsch, Haas, Mueller) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1154-1183, adopt amendments as follows, and place SB 2200 on the Seventh order:

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-07-28, 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational associations, the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide an appropriation; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for the distribution of transportation grants, reorganization planning grants, and contingent payments; to provide for a contingent transfer; to provide for a report to the legislative council; to provide an expiration date; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Section 15.1-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-09. School district finance facts report - Contents.** The superintendent of public instruction shall submit an annual report on the financial condition of school districts to the governor, legislative council, and the secretary of state by the end of February. The secretary of state shall transmit the report to state archivist for official and public use. The report must include:

1. The number of school districts in the state.

2. The financial condition of each school district, including its receipts and expenditures.
3. The value of all property owned or controlled by each school district.
4. The cost of education in each school district.
5. The number of teachers employed by each school district and their salaries.
6. The number of students in average daily membership, in weighted average daily membership, and in average daily attendance, in each school district, the grades in which ~~they~~ the students are enrolled, and, when applicable, the courses in which ~~they~~ the students are enrolled.
7. Information regarding the state's approved nonpublic schools.
8. Other statistical data on public education in the state.

**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. A During the 2007-08 school year, a full day of instruction consists of:
  - a- (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b- (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.
- b. Beginning with the 2008-09 school year, a full day of instruction consists of:
  - (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 3. AMENDMENT.** Section 15.1-23-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-23-19. Home education - State aid to school districts.** For purposes of allocating state aid to school districts, a child receiving home education is ~~deemed enrolled in the child's school district of residence if the child is monitored by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed by the public school district in which the child resides. A school district is entitled to fifty percent of the per student payment provided in section 15.1-27-04 times the appropriate factor in section 15.1-27-06 or 15.1-27-07 for each child receiving home education. If a child receiving home education is enrolled in public school classes, proportionate payments must be made. The total amount may not exceed the equivalent of one full per student payment times the appropriate weighting factor included in a school district's determination of average daily membership only for those days or portions of days that the child attends a public school.~~

**SECTION 4. AMENDMENT.** Section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-01. Payments to school districts - Distribution.**

1. The superintendent of public instruction shall ~~determine~~ estimate the total state payments ~~made to each to which a school district during the previous fiscal~~ is entitled each year.

2. The superintendent of public instruction shall pay each district ten percent of the amount determined under subsection 1, within the limits of legislative appropriation, on or before August first and September first of each year. The superintendent shall pay each school district twenty percent of that amount, within the limits of legislative appropriation, on or before October first of each year.
3. The superintendent of public instruction shall ~~determine~~ estimate the amount that, in addition to the payments already made, is necessary to constitute the remainder of the amount due each district for the current school year.
4. On or before November first, the superintendent of public instruction shall pay to each district, within the limits of legislative appropriation, an amount that, in addition to the above payments, constitutes sixty percent of the sum due under this chapter.
5. On or before the first day of December, January, February, March, and April, payments equal to twenty percent of the total remaining payments must be made to each district.
6. If funds appropriated for distribution to districts as state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

**SECTION 5. AMENDMENT.** Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-02. Per student payments - Required reports.**

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:
  - a. ~~An annual average daily~~ The June thirtieth student membership and attendance report;
  - b. An annual school district financial report;
  - c. The September tenth fall enrollment report; and
  - d. The personnel report forms for licensed and nonlicensed employees.
2. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed.

**SECTION 6.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- e. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - f. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;
  - g. 0.25 the number of full-time equivalent students enrolled in an isolated high school;
  - h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - j. 0.14 the number of full-time equivalent students enrolled in a new immigrant English language learner program;
  - k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and
  - l. 0.02 the number of full-time equivalent students, other than those provided for in subdivision j, who are enrolled in an English language learner program.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 7.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**School district size weighting factor - Weighted student units.**

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - a. 1.25 if the students in average daily membership number fewer than 185;
  - b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
  - c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
  - d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
  - e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
  - f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
  - g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
  - h. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
  - i. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
  - j. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
  - k. 1.15 if the students in average daily membership number at least 285 but fewer than 290;

- l. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
  - m. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
  - n. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
  - o. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
  - p. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
  - q. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
  - r. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
  - s. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
  - t. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
  - u. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
  - v. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
  - w. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
  - x. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
  - y. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
  - z. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- a. 1.25 if the students in average daily membership number fewer than 125;
  - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
  - c. 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 8. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1.
  - a. The per student payment rate to which each school district is entitled for the first year of the biennium is ~~two~~ three thousand ~~seven~~ two hundred ~~sixty-five~~ fifty dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~eight~~ three hundred ~~seventy-nine~~ twenty-five dollars. ~~The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.~~
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 9.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2007-08 school year, is at least equal to one hundred three and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2007-08 school year, is at least equal to one hundred six percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2007-08 school year, one hundred seven percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. Beginning with the 2008-09 school year, the maximum percentage of allowable growth in the baseline funding per weighted student unit provided in subdivision a must be annually increased by three percentage points, plus the district's share of any increased state aid for that year. Payments received by districts for the provision of

full-day kindergarten do not constitute increases in state aid for purposes of this subdivision.

**SECTION 11. AMENDMENT.** Section 15.1-27-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-08. Per student payments - Unaccredited high schools.**

1. If a high school becomes unaccredited, the superintendent of public instruction shall determine the per student payment to which the school district is entitled during the first year in which the high school is unaccredited is the amount established in section 15.1-27-04. The school district is not entitled to the amount that results from applying the weighting factors provided in section 15.1-27-06. In each successive year, the per student payment to which the school district is entitled for each student in the unaccredited high school must be reduced by an additional two hundred dollars. by:
  - a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school; and
  - b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school.
2. If the high school remains unaccredited for a second year, the superintendent of public instruction shall determine the per student payment to which the school district is entitled by:
  - a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school;
  - b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school; and
  - c. Reducing any payment to which the school district is entitled for each student in average daily membership in the unaccredited high school by two hundred dollars.
3. If the high school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall determine the per student payment to which the school district is entitled as provided in subsection 2, and the superintendent shall reduce the payment for each student as provided in subdivision c of subsection 2 by two hundred dollars each year.
4. If a the high school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 12. AMENDMENT.** Section 15.1-27-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-09. Per student payments - Unaccredited elementary schools.**

1. If an elementary school becomes unaccredited, the superintendent of public instruction may not reduce the per student payment to which the school district is entitled during the first year in which the school is unaccredited.
2. If a an elementary school district operates an remains unaccredited elementary school, the per student payment to which the school district is entitled during the first year in which the elementary school is unaccredited is the amount established in section 15.1-27-04. The school district is entitled to the amount that results from applying the weighting factors provided in section 15.1-27-07. In each successive for a second year, the superintendent of public instruction shall reduce the per student payment to which the school district is entitled for each student in average daily

~~membership in the unaccredited elementary school must be reduced by an additional two hundred dollars.~~

3. ~~If the elementary school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall reduce the payment for each student as provided in subsection 2 by two hundred dollars each year.~~
4. ~~If a the elementary school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.~~

**SECTION 13. AMENDMENT.** Section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-10. Per student payments - Special education.**

1. ~~Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.~~
- 2- ~~Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of the moneys any per student special education payments to which the a school district is entitled under this section directly to the special education unit of which the school district is a member.~~
3. 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

**SECTION 14. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. High school districts—Supplemental Equity payments.**

1. ~~The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:~~
  - a. ~~The district's latest available net assessed and equalized taxable valuation of property; plus~~
  - b. ~~All tuition payments and county revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.~~
- 2- ~~The superintendent of public instruction shall verify that:~~
  - a. ~~The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student;~~
  - b. ~~The district's educational expenditure per student is below the most recent available statewide average cost of education per student;~~

- ~~e. The district has a general fund levy of at least one hundred eighty mills; and~~
- ~~d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent shall:~~
  - ~~a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;~~
  - ~~b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;~~
  - ~~c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and~~
  - ~~d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.~~
- ~~4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1 27.:~~
  - ~~a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.~~
  - ~~b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.~~
- ~~2. a. If a school district's imputed taxable valuation per student is less than eighty-eight and one-half percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:~~
  - ~~(1) Determining the difference between eighty-eight and one-half percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and~~
  - ~~(2) Multiplying that difference by the district's total average daily membership.~~
- ~~b. Beginning July 1, 2008, if a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:~~
  - ~~(1) Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and~~
  - ~~(2) Multiplying that difference by the district's total average daily membership.~~
- ~~3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:~~
  - ~~a. The district's general fund mill levy; or~~

- b. One hundred eighty-five mills.
- 4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund mill levy.
- b. If a district's general fund levy is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund mill levy from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
- c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
- 5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
- 6. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing sixty percent of the district's mineral and tuition revenue by the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.
  - c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
  - d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 15. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. ~~Per student payments~~– Isolated schools.**

- 1. a. ~~If an~~ An elementary school is isolated if it has fewer than fifty students in average daily membership and if fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school, ~~the weighting factor provided under section 15.1-27-07 must be increased by twenty five percent. If the school has fewer than fifteen students, the payment received must be for fifteen students.~~
- b. For purposes of determining state aid, an elementary school that is isolated is presumed to have at least fifteen students in average daily membership.

2. a. ~~If a~~ A high school is isolated if it has fewer than thirty-five students in average daily membership and if fifteen percent or more of its students would have to travel beyond a ~~twenty-mile [32.2-kilometer]~~ fifteen-mile [24.1-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-06 must be increased by twenty five percent. If the school has fewer than twenty students, the payment received must be for twenty students.
- b. For purposes of determining state aid, a high school that is isolated is presumed to have at least twenty students in average daily membership.

**SECTION 16. AMENDMENT.** Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-16. Per student payments - Cooperating districts.** ~~If, on or after July 1, 1997,~~ any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, ~~each cooperating district is entitled the superintendent of public instruction shall, notwithstanding the provisions of section 7 of this Act, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, at least the same per student payment for each high school and elementary student as the district received prior to initiation a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.~~

**SECTION 17. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

- ~~1. If any school district receiving per student payments calculated under section 15.1-27-06 reorganized with another school district under chapter 15.1-12 before August 1, 1997, the school district resulting from the reorganization is entitled to receive the same per student payments for each high school student as each separate school district received for each high school student prior to the reorganization, for a period of four years.~~
- ~~2. If any school district receiving per student payments calculated under this chapter reorganizes with another school district under chapter 15.1-12 after July 31, 1997, the school district resulting from the reorganization is entitled Notwithstanding the provisions of section 7 of this Act, the superintendent of public instruction shall create and assign a separate weighting factor to:
 
  - a. Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and
  - b. Any school district that reorganizes on or after July 1, 2007.~~
  - a. The separate weighting factor must allow the reorganized school district to receive the same per student payments for each high school and elementary student as a payment rate equivalent to that which each separate school district would have received for each high school and elementary student prior to the reorganization, for a period of four years had the reorganization not taken place.
  - b. The separate weighting factor must be computed to four decimal places.
  - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
- ~~3. The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or~~

~~2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 7 of this Act.~~

4. ~~Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.~~

**SECTION 18. AMENDMENT.** Section 15.1-27-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-18. Per student payments - Eligibility -~~Minimum amounts.~~**

1. In order to be counted for the purpose of calculating per student payments, as provided for by this chapter, a high school student must be enrolled in at least four high school units. The units may include career and technical education courses offered in accordance with chapter 15-20.1 and courses that are approved by the superintendent of public instruction and offered by another high school district.
2. If a student is enrolled for graduation in a nonpublic school or if a student is taking fewer than four high school units and is enrolled in an approved alternative high school education program, the school district in which the student is enrolled is entitled to receive proportionate payments.
3. ~~Each high school district must receive at least as much in total per student payments as it would have received if it had the highest number of students in the next lower weighting category.~~

**SECTION 19. AMENDMENT.** Section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-19. Summer school courses and programs - ~~Proportionate payments~~ Payments to school districts.**

1. ~~Each school district that offers summer school courses at the high school level is entitled to receive proportionate payments provided each course offered~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in a high school summer course, the superintendent of public instruction shall verify that the course satisfies requirements for graduation, comprises at least as many clock-hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction.
2. ~~A school district that offers remedial~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in an elementary summer school programs at the elementary level is entitled to receive proportionate payments provided the programs comply program, the superintendent of public instruction shall verify that the program complies with rules adopted by the superintendent of public instruction.
3. ~~The superintendent of public instruction may adopt rules regarding proportionate payments for remedial summer school programs at the elementary level and summer school courses at the high school level.~~
4. ~~Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one half percent of the total amount appropriated by the legislative assembly for state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy five percent of the amount made available~~

~~under this subsection may be used to support summer school courses at the high school level and no more than twenty five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.~~

**SECTION 20. AMENDMENT.** Section 15.1-27-20 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-20. Per student State aid payments - Claim by school district - Appeal.**

- ~~1. Upon the completion of student registration and in no event later than September tenth of each year, the business manager of a school district claiming payments from state funds under the provisions of this chapter shall file a claim in the form and manner prescribed by the superintendent of public instruction. The business manager must provide the number of registered high school and elementary school students for whom payments are claimed and any other information requested by the superintendent of public instruction.~~
- ~~2. The superintendent of public instruction shall compute the per student payments on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever provides the greater total payment. The superintendent shall make adjustments in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's per student aid payments.~~
- ~~3. School districts educating children of agricultural migratory workers and school districts offering approved summer courses during the months of June, July, and August are not restricted to payments for a one hundred eighty day school term.~~
- ~~4. Upon termination of the school year, the business manager of each school district that has received payments from state funds under the provisions of this chapter shall file with the school board a verified statement of the name, residence, and membership of each student and the units of high school work taken by each enrolled student.~~
- ~~5. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction, in the form and manner prescribed by the superintendent, the students in average daily membership for the recently completed school year. The superintendent shall notify the school district of any student average daily membership that is disallowed.~~
- ~~6. A Any school district claiming state aid payments under this chapter shall provide to the superintendent of public instruction, at the time and in the manner requested by the superintendent, all information necessary for the processing of the claim.~~
- ~~2. If the superintendent of public instruction denies a district's claim for state aid payments, in whole or in part, the district may appeal the determination of the superintendent by submitting a written appeal to filing a written notice with the superintendent of public instruction on or before September fifteenth of the year in which the, within thirty days from the date on which the district received the original determination is made. The superintendent of public instruction may modify the original determination if the evidence submitted by the district justifies a modification. Upon appeal, or ~~in a case when~~ no if a timely appeal is not made, the determination of the superintendent of public instruction is final.~~

**SECTION 21.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**General fund levy - Impact on state aid.**

1. If in the first year of the 2007-09 biennium the general fund levy of a school district is less than one hundred fifty mills, the superintendent of public instruction shall:
  - a. Determine the difference in mills between the district's general fund levy and one hundred fifty;
  - b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and
  - c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.
2. If in the second year of the 2007-09 biennium and each year thereafter, the general fund levy of a school district is less than one hundred fifty-five mills, the superintendent of public instruction shall:
  - a. Determine the difference in mills between the district's general fund levy and one hundred fifty-five;
  - b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and
  - c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.

**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Taxable valuation - Impact on state aid.**

1. If a school district's imputed taxable valuation per student is greater than one hundred fifty percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:
  - a. Determine the difference between the district's imputed taxable valuation per student and one hundred fifty percent of the state average imputed taxable valuation per student;
  - b. Multiply the dollar amount determined under subdivision a by the district's average daily membership;
  - c. Multiply the dollar amount determined under subdivision b by one hundred eighty-five mills;
  - d. Multiply the dollar amount determined under subdivision c by a factor of 0.75; and
  - e. Subtract the dollar amount determined under subdivision d from the total amount of state aid to which the district is otherwise entitled.
2. For purposes of this section, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing the district's mineral and tuition revenue by sixty percent of the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.

**SECTION 23. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given classroom grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given

~~classroom~~ grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~one~~ the greater of:

- a. The school district's calendar; or
  - b. One hundred eighty.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
- ~~4-~~ a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
  - ~~2-~~ b. The two days set aside for professional development activities under section 15.1-06-04; and
  - ~~3-~~ c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
3. For purposes of calculating average daily membership:
- a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
  - b. During the 2007-08 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 0.50. Beginning with the 2008-09 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
  - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 24.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Dissolved school districts.** For purposes of determining state aid, the superintendent of public instruction shall amend the average daily membership of any school district that enrolls students who attended a dissolved school district during the school year prior to the dissolution.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance.** The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general

fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 26 of this Act, the superintendent of public instruction may not include any distribution provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly, in determining the unobligated general fund balance of a school district.

**SECTION 28. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. ~~The superintendent shall apportion the fund among the school districts of the state in proportion to the number of school age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.~~

**SECTION 29. AMENDMENT.** Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-01. Education of students in bordering states - Payment of tuition.**

1. ~~Students~~ A student may attend a school in a bordering state in accordance with section 15.1-29-02 ~~under the following circumstances provided:~~
  - a. (1) ~~A~~ The student who lives within forty miles [64.37 kilometers] of another state; or
  - (2) The student lives in a county bordering on another state ~~may,~~ with the; and
  - b. The student has received approval of from the school board, ~~attend a public school in a bordering state.~~
  - b. ~~A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.~~
  - e. ~~A student whose sibling attended an out of state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state of the student's school district of residence.~~
2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.
  - a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.
  - b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.

- c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.
  - d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.
3. ~~a. The superintendent of public instruction shall forward all state aid payments for a~~ A student attending an out-of-state school to under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.
- ~~b. The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.~~
4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

**SECTION 30. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

- 1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.
- 2. ~~For purposes of per student payments and tuition apportionment payments,~~ a student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.
- 3. A school district in this state may not agree to accept ~~students~~ a student from a bordering state unless the tuition payable equals or exceeds the ~~per student payment plus the tuition apportionment payment~~ amount of state aid that the district would have received from this state for a student in the same grade if ~~its~~ that student had been attending school in the bordering state.

**SECTION 31. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-12. Tuition payments - Determination.**

- 1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.
- 2.
  - a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.
  - b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and

general fund expenditures for capital outlay by the average daily membership of the state.

- c. The admitting district shall subtract the following from the amount arrived at under subdivision b:
  - (1) ~~The weighted per student payment received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06 multiplied by the admitting district's school size weighting factor;~~ and
  - (2) Any credit for taxes paid to the admitting district by the student's parent.
- d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual student. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

**SECTION 32. AMENDMENT.** Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition and tutoring charges.**

1. a. Except as provided in subdivision b, for purposes of applying this chapter, a student's school district of residence is the district in which the student's custodial parent or legal guardian resides:
  - (1) At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;
  - (2) At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;
  - (3) At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or
  - (4) At the time the student is placed voluntarily, by a parent or legal guardian, in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1.
- b. A determination regarding the student's school district of residence made under subdivision a is valid until the September fifteenth following the determination. On that date and each September fifteenth thereafter, the placing agency or the entity funding the student's placement shall determine the district in which the student's custodial parent or legal guardian resides and shall notify the district that it is deemed to be the student's district of residence for purposes of this chapter. If, however, the student is placed in accordance with paragraph 4 of subdivision a and the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this subdivision.
2. The student's school district of residence is obligated to pay:
  - a. All charges for tuition upon claim of the admitting district; and
  - b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who

is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.

3. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for state aid to schools if, on the September fifteenth after a student placement is made as provided for under subsection 1:
  - a. The student's custodial parent or legal guardian establishes residency outside this state;
  - b. A court orders a termination of parental rights with respect to the student's parents;
  - c. The student no longer has a custodial parent; or
  - d. The superintendent of public instruction has determined that all reasonable efforts to locate a parent or legal guardian have been unsuccessful.
4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.
5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments and tutoring charges are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition and tutoring charges from state aid otherwise payable to the student's school district of residence until the tuition and tutoring charges that are due ~~has~~ have been fully paid.
6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for the payment of special education contract charges in the case of a student with disabilities or from state aid payments to schools in all other cases.
7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. The obligations of the student's school district of residence as provided in subsection 2 and the obligations of the state as provided in subsection 3 are applicable to all students described in this subsection.
8. a. The placing agency or entity funding the student's placement shall provide written or electronic notice regarding an initial placement and all subsequent placements of a student to the superintendent of the student's school district of residence and to the superintendent of the admitting district:
  - (1) Within five working days after a placement is made under court order;
  - (2) Within five working days after an emergency placement is made; or

- (3) At least ten working days prior to any other placement.
  - b. If, however, the student's parent or legal guardian voluntarily places the student in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1, and if the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this section.
  - c. The notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.
  - d. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.
9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition and tutoring charges by either the student's school district of residence or the superintendent of public instruction.
  10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

**SECTION 33. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.** If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to subdivision c of subsection 1 of section 57-15-14.2.

**SECTION 34. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - ~~Per—student~~ State aid ~~—Tuition apportionment.~~**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:
  - a. The student graduates;
  - b. The student relocates to another district;
  - c. The student's parent applies for enrollment in another school district; or
  - d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.
2. ~~Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.~~
3. ~~For purposes of tuition apportionment payments, a student whose application is approved under this section is considered a resident of the admitting district.~~
4. Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 35. AMENDMENT.** Section 15.1-31-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-04. Open enrollment - Students with disabilities - Additional costs.** If an application under this chapter is approved for a student with a disability, the board of the student's school district of residence shall pay to the admitting district the costs incurred by the admitting district in providing special education and related services to the student ~~up to a maximum each school year of two and one-half times the state average per student elementary or high school cost, depending on the student's enrollment level, plus twenty percent of all remaining costs. The superintendent of public instruction shall reimburse the admitting district eighty percent of the remainder of the cost of educating the student with disabilities within the limits of legislative appropriations for that purpose. The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18.~~

**SECTION 36. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district. ~~Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.~~

**SECTION 37. AMENDMENT.** Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-08. School districts - Provision of special education.** Each school district shall provide special education, ~~singly or jointly with other districts, and related services as a single district, as a member of a multidistrict special education unit in accordance with this chapter 15.1-33, or as a participating district in a regional education association under chapter 15.1-09.1.~~ Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

**SECTION 38. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education ~~per student payments~~ students - Contracts for placement.**

1. ~~If a student with disabilities receives special education services, the superintendent of public instruction shall forward any per student payments, payable on behalf of that student, directly to the school district in which the student receives such services.~~
2. ~~If a student with disabilities attends a special education summer program required by the student's individualized education program or services plan and approved by the superintendent of public instruction, the superintendent of public instruction shall forward any additional prorated per student payments, payable on behalf of the student, directly to the school district in which the student receives such services.~~
3. ~~If a student who is enrolled in a nonpublic school receives special education services in a public school, the superintendent of public instruction shall forward a proportionate per student payment to the school district in which the student receives the services.~~
4. a. If in the opinion of an individualized education program team or a services plan team a student is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall contract with another public school that:
  - (1) a. Does not belong to the same special education unit;

- ~~(2)~~ b. Is located in this state;
  - ~~(3)~~ c. Is willing to admit the student; and
  - ~~(4)~~ d. Is able to provide appropriate services to the student.
- b. 2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.
- e. 3. The contract must provide that the student's school district of residence ~~agrees to pay to the district in which the student receives services, as part of~~ is liable for the cost of educating the student ~~for the school year, an amount equal to two and one half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs. The amount paid may not exceed the actual per student cost incurred by the admitting school, less any per student payment received on behalf of the student under this section.~~
- d. ~~The liability of the student's school district of residence must be reduced proportionately if the student attends the admitting school for less than an entire school year.~~
- e. 4. Upon being notified by the district in which the student receives services ~~that tuition payments provided for by this section are due and unpaid~~ the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, ~~until the tuition due has been paid.~~
- f. ~~The superintendent of public instruction shall provide to the school district in which the student receives services, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits~~ required payments have been made.

**SECTION 39. AMENDMENT.** Section 15.1-32-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-15. Student with disabilities - Attendance at private institution or out-of-state public school.**

1. If in the opinion of an individualized education program team or an education services team a student is unable to attend a public school in the student's school district of residence because of a physical disability, a mental disability, or a learning disability, and if no public school in the state will accept the student and provide the necessary services, the student's school district of residence shall contract with:
  - a. A private, accredited, nonsectarian, nonprofit institution that is located within or outside of this state and which has the proper facilities for the education of the student; or
  - b. A public school located outside of this state that has proper facilities for the education of the student.
2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting institution or school.
3. The contract must provide that the student's school district of residence ~~shall pay to the institution or school, as part of~~ is liable for the cost of educating the student, ~~an amount for the school year equal to two and one half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs.~~

4. ~~The amount paid may not exceed the actual per student cost incurred by the institution or school.~~
5. ~~The superintendent of public instruction shall provide to the student's school district of residence, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits.~~
6. ~~The school district of residence is entitled to the per student payment for a student who receives services under this section.~~
4. A student who receives services under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

**SECTION 40. AMENDMENT.** Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-16. Transportation services –~~State reimbursement.~~** If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.

**SECTION 41. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education.** ~~If the cost of providing special education and related services to a student with disabilities, as determined by the superintendent of public instruction, exceeds the reimbursement provided by the state, the student's school district of residence is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average per student elementary cost of education or high school cost of education, depending on the student's level of enrollment, plus twenty percent of all remaining costs. The two and one-half times amount includes the amount that the school district is required to pay under section 15.1-32-14. The state is liable for eighty percent of the remaining cost of education and related services for each such student with disabilities within the limits of legislative appropriations.~~

1. Each year the superintendent of public instruction shall identify the approximately one percent of special education students statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures in order to provide them with special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.
2. The excess costs of providing special education and related services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of special education and related services to the identified students.
3. "Excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.
4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.
5. In addition to any other reimbursements provided under this section, if a school district expends more than two percent of its annual budget for the provision of special education and related services to one student, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:

- a. Two percent of the district's annual budget; and
- b. The lesser of:
  - (1) The amount actually expended by the district for the provision of special education and related services to that student; or
  - (2) The amount representing four and one-half times the state average cost of education per student.

**SECTION 42. AMENDMENT.** Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-33-02. Multidistrict special education units - School district participation.** A school district may join a multidistrict special education unit or together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education.

**SECTION 43. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed ~~forty~~ fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for ~~the~~ the construction project under section 15.1-36-01; and
  - ~~b.~~ c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of eight million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.

5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of seven million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of two and one-half million dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
4. ~~8.~~ The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
5. ~~9.~~ If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount. ~~In determining the amount of a loan, the superintendent shall take into account the cost of the construction project and the fiscal capacity of the school district.~~
6. ~~If the superintendent of public instruction approves the loan, the superintendent may determine the interest rate to be paid. The interest rate on a loan under this section may not exceed a rate of two percent below the net interest rate on comparable tax exempt obligations as determined on the date the application is approved by the superintendent pursuant to section 15.1-36-01. The interest rate may not exceed six percent.~~
7. ~~A school district may not receive a loan under this section unless the superintendent of public instruction determines that the district has an existing indebtedness equal to at least fifteen percent of its taxable valuation. In determining a school district's existing indebtedness, the superintendent shall include outstanding indebtedness authorized by an election under section 21-03-07 but not issued and indebtedness authorized to be paid with dedicated tax levies under subsection 7 of section 21-03-07 but not issued, the term of the loan, and the interest rate, in accordance with the requirements of this section.~~
8. ~~10.~~ The superintendent of public instruction may adopt rules governing school construction loans.
9. ~~11.~~ For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority and further provided that the acquisition or activity is estimated to cost in excess of fifty thousand dollars.

**SECTION 44.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction projects - Reorganized districts - Interest subsidy.**

1. If under chapter 15.1-12 two or more school districts prepare a reorganization plan, agree in that plan to pursue a construction project, and obtain the approval of the superintendent of public instruction in accordance with this chapter, the newly reorganized district is eligible to receive up to three hundred basis points of interest rate buydown on the lesser of:
  - a. Thirteen million five hundred thousand dollars; or
  - b. A percentage of the total project cost determined by:
    - (1) Allowing five percent for each school district that participated in the reorganization;
    - (2) Allowing five percent for each one hundred-square-mile [259-square-kilometer] increment that is added to the square miles [kilometers] of the geographically largest district participating in the reorganization;
    - (3) Allowing five percent for every ten students added to the enrollment of the district having the greatest number of enrolled students and participating in the reorganization; and
    - (4) Capping the allowable percentage at ninety percent of the total project cost.
2. In addition to the requirements of subsection 1, the percentage of cost subsidy determined under subdivision b of subsection 1 must equal at least twenty percent of the total project cost.

**SECTION 45.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**English language learner - Definition.** English language learner means a student who:

1. Is at least five years of age but has not reached the age of twenty-two;
2. Is enrolled in a school district in this state;
3. Has a primary language other than English or comes from an environment in which a language other than English significantly impacts the individual's level of English language proficiency; and
4. Has difficulty speaking, reading, writing, and understanding English, as evidenced by a language proficiency test approved by the superintendent of public instruction and aligned to the state English language proficiency standards and the state language proficiency test.

**SECTION 46.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years.

**SECTION 47. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:

- a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
  3. ~~In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1 27 because of the deduction required in section 15.1 27 05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1 27 05 to the increased assessed valuation of the school district in a one year period.~~

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

#### **SECTION 48. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. a. During the first year of the 2007-09 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - (1) Fifty-one and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students within city limits;
  - (2) Seventy-three and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students in rural areas; and
  - (3) Forty cents per mile for vehicles having a capacity of nine or fewer passengers and transporting students in rural areas.

- b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount the district received under this section for transportation services provided during the first year of the biennium.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.
3. If any moneys provided for transportation payments in the grants - transportation line item in Senate Bill No. 2013, as approved by the sixtieth legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. Nothing in this section authorizes the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 49. SCHOOL DISTRICT REORGANIZATION PLANNING GRANTS.**

The superintendent of public instruction may expend up to \$100,000 from the grants - state school aid line item in subdivision 1 of section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, for the purpose of providing planning grants to school districts participating in reorganizations under chapter 15.1-12, for the biennium beginning July 1, 2007, and ending June 30, 2009. A grant provided under this section may not exceed \$25,000 and may not be awarded unless the student enrollment of the participating districts exceeds three hundred sixty. If a grant is provided and the recipient districts vote not to reorganize, the superintendent of public instruction shall withhold the grant amount that each district received under this section from any state aid payable to the district.

**SECTION 50. APPROPRIATION - SCHOOL DISTRICT - DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2007, and ending June 30, 2009.
2. If the office of management and budget determines by April 30, 2008, that the June 30, 2008, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2009, that the June 30, 2009, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.

4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2010:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instructions for deposit in the general fund.
5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills;
  - b. Is not precluded from receiving state aid by the provisions of section 26 of this Act; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 51. NORTH DAKOTA COMMISSION ON EDUCATION IMPROVEMENT - MEMBERSHIP - DUTIES - REPORT TO LEGISLATIVE COUNCIL - REIMBURSEMENT FOR EXPENSES.**

1. The North Dakota commission on education improvement consists of:
  - a.
    - (1) The governor or an individual designated by the governor, who shall serve as the chairman;
    - (2) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than one thousand students in average daily membership;
    - (3) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than two hundred twenty but fewer than one thousand students in average daily membership;
    - (4) One individual, appointed by the governor, who is employed as the superintendent of a high school district having fewer than two hundred twenty students in average daily membership;
    - (5) One individual, appointed by the governor, who is employed as a school district business manager;
    - (6) The chairman of the senate education committee or the chairman's designee;
    - (7) The chairman of the house education committee or the chairman's designee;
    - (8) The senate minority leader or the leader's designee;
    - (9) One legislator appointed by the chairman of the legislative council; and
    - (10) The superintendent of public instruction or an assistant superintendent designated by the superintendent of public instruction; and
  - b. One nonvoting member representing the North Dakota council of educational leaders, one nonvoting member representing the North Dakota education association, and one nonvoting member representing the North Dakota school boards association.
2. The commission shall establish its own duties and rules of operation and procedure, including rules relating to appointments, terms of office, vacancies, quorums, and meetings, provided that the duties and the rules do not conflict with any provisions of this section.

3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to \$40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements.
4. The commission shall examine the current system of delivering and financing public elementary and secondary education and shall develop recommendations addressing educational adequacy, the equitable distribution of state education funds, the allocation of funding responsibility between federal, state, and local sources, and any other matters that could result in the improvement of elementary and secondary education in the state.
5. The commission shall provide periodic reports to the governor and to the legislative council.

**SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.**

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, and English language learner payments;
  - b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

**SECTION 53. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily

membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

**SECTION 54. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use \$1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.
2. The state board for career and technical education shall use \$800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers.

**SECTION 55. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent shall:

1. Use the first \$1,000,000, or so much of that amount as may be necessary, to pay any state obligations in excess of the amount appropriated for special education contract charges;
2. Use the next \$2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in regional education associations under chapter 15.1-09.1;
3. Use the next \$550,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38;
4. Use the next \$200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2007-09 biennium; and
5. Use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 56. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-first legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 57. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed.

**SECTION 58. REPEAL.** Sections 15.1-07-28, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 59. EXPIRATION DATE.** Section 27 of this Act is effective through June 30, 2007, and after that date is ineffective.

**SECTION 60. EMERGENCY.** Sections 27, 51, 57, and 59 of this Act are declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2200 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. FLAKOLL MOVED** that the conference committee report on Engrossed SB 2200 be adopted.

#### **REQUEST**

**SEN. WARNER REQUESTED** a verification vote on the motion to adopt the conference committee report on Engrossed SB 2200, which request was granted.

#### **REQUEST**

**SEN. FLAKOLL REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on Engrossed SB 2200, which request was granted.

#### **ROLL CALL**

The question being on the motion to adopt the conference committee report on Engrossed SB 2200, the roll was called and there were 42 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nothing; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**NAYS:** Bakke; Bowman; Horne

**ABSENT AND NOT VOTING:** Behm; Tallackson

The conference committee report on Engrossed SB 2200 was adopted.

Engrossed SB 2200, as amended, was placed on the Eleventh order.

#### **SECOND READING OF SENATE BILL**

**SB 2200:** A BILL for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-07-28, 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational associations, the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide an appropriation; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for the distribution of transportation grants, reorganization planning grants, and contingent payments; to provide for a contingent transfer; to provide for a report to the legislative council; 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 43 YEAS, 2 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter;

Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**NAYS:** Andrist; Bowman

**ABSENT AND NOT VOTING:** Behm; Tallackson

Reengrossed SB 2200 passed, the title was agreed to, and the emergency clause was declared carried.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2014:** Your conference committee (Sens. Fischer, Grindberg, O'Connell and Reps. Bellew, Kreidt, Ekstrom) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1504 and place SB 2014 on the Seventh order.

SB 2014 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. FISCHER MOVED** that the conference committee report on SB 2014 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2419, as reengrossed:** Your conference committee (Sens. Lyson, Wardner, Triplett and Reps. Porter, Damschen, S. Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1385-1389, adopt amendments as follows, and place SB 2419 on the Seventh order:

That the House recede from its amendments as printed on pages 1385-1389 of the Senate Journal and pages 1541-1545 of the House Journal and that Reengrossed Senate Bill No. 2419 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact chapter 57-51.2 of the North Dakota Century Code, relating to agreements with the Three Affiliated Tribes to share revenue from state taxes on oil and gas production within the boundaries of the Fort Berthold Reservation; to provide an effective date; to provide an expiration date; and to declare an emergency.

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

**SECTION 1.** Chapter 57-51.2 of the North Dakota Century Code is created and enacted as follows:

**57-51.2-01. Authority to enter agreements.** The governor, in consultation with the tax commissioner, may enter agreements with the Three Affiliated Tribes relating to taxation and regulation of oil and gas exploration and production within the boundaries of the Fort Berthold Reservation.

**57-51.2-02. Agreement requirements.** An agreement under this chapter is subject to the following:

1. The only taxes subject to agreement are the state's oil and gas gross production and oil extraction taxes attributable to production from wells located within the exterior boundaries of the Fort Berthold Reservation.
2. The state's oil and gas gross production tax under chapter 57-51 must apply to all wells located within the Fort Berthold Reservation.
3. The state's oil extraction tax under chapter 57-51.1 as applied to oil and gas production attributable to trust lands on the Fort Berthold Reservation may not exceed six and one-half percent but may be reduced through negotiation between the governor and the Three Affiliated Tribes.
4. Any exemptions for oil and gas production from trust lands under chapters 57-51 and 57-51.1 do not apply to production within the boundaries of the Fort Berthold Reservation except as otherwise provided in the agreement.

5. The allocation of revenue from oil and gas production taxes on the Fort Berthold Reservation must be as follows:
  - a. Production attributable to trust lands. All revenues and exemptions from all oil and gas gross production and oil extraction taxes attributable to production from trust lands on the Fort Berthold Reservation must be evenly divided between the tribe and the state.
  - b. All other production. The tribe must receive twenty percent of the total oil and gas gross production taxes collected from all production attributable to nontrust lands on the Fort Berthold Reservation in lieu of the application of the Three Affiliated Tribes' fees and taxes related to production on such lands. The state must receive the remainder.
  - c. The state's share of the revenue as divided in subdivisions a and b is subject to distribution among political subdivisions as provided in chapters 57-51 and 57-51.1.
6. An oil or gas well that is drilled and completed during the time of an agreement under this chapter must be subject to the terms of the agreement for the life of the well.
7. The Three Affiliated Tribes must agree not to impose a tribal tax or any fee on future production of oil and gas on the Fort Berthold Reservation during the term of the agreement.
8. To address situations in which the tax commissioner refunds taxes to a taxpayer, the agreement must allow the tax commissioner to offset future distributions to the tribe.
9. The tax commissioner must retain authority to administer and enforce chapters 57-51 and 57-51.1 as applied to wells subject to any agreement authorized by this chapter.
10. An oil or gas well that is drilled and completed during the time an agreement under this chapter is in effect is subject to state regulatory provisions for the life of the well in addition to any other applicable regulatory provisions.
11. The federal district court for the western division of North Dakota is the venue for any dispute arising from a revenue-sharing agreement between the state and the Three Affiliated Tribes.

**57-51.2-03. Statutory inconsistencies superseded.** This chapter supersedes any inconsistent provisions of chapters 57-51 and 57-51.1 and any inconsistent provisions of state law relating to regulatory provisions and state law relating to oil and gas exploration and production and administration of those provisions.

**57-51.2-04. Reports.** After entering an agreement under this chapter the governor shall file a report with the legislative council describing the agreement's negotiations and terms and thereafter shall file biennial reports with the legislative council describing the agreement's implementation and any difficulties in its implementation.

**57-51.2-05. Inapplicability of chapter 54-40.2.** Chapter 54-40.2 does not apply to any agreement entered under chapter 57-51.2.

**SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for oil production after June 30, 2007. This Act is ineffective after June 30, 2009, unless by that date the governor's office notifies the tax commissioner and legislative council that an agreement has been entered with the Three Affiliated Tribes under chapter 57-51.2.

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure."

ReNUMBER accordingly

Reengrossed SB 2419 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. LYSON MOVED** that the conference committee report on Reengrossed SB 2419 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2419, as amended, was placed on the Eleventh order.

**SECOND READING OF SENATE BILL**

**SB 2419:** A BILL for an Act to create and enact chapter 57-51.2 of the North Dakota Century Code, relating to agreements with the Three Affiliated Tribes to share revenue from state taxes on oil and gas production within the boundaries of the Fort Berthold Reservation; to provide an effective date; 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Reengrossed SB 2419 passed, the title was agreed to, and the emergency clause was declared carried.

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**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 2200, SB 2419.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2014.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has passed unchanged: SCR 4039.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1015.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1126.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SCR 4038.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1321, HB 1504.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 1:00 p.m., which motion prevailed.

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

**MOTION**

**SEN. CHRISTMANN MOVED** that HB 1466 be moved to the bottom of the Seventh order, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1002, as engrossed:** Your conference committee (Sens. Christmann, Kilzer, Tallackson and Reps. Carlisle, Thoreson, Kroeber) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1344-1346 and place HB 1002 on the Seventh order.

Engrossed HB 1002 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 1002 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1005, as engrossed:** Your conference committee (Sens. Wardner, Bowman, Mathern and Reps. Nelson, Wieland, Kerzman) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1390-1391 and place HB 1005 on the Seventh order.

Engrossed HB 1005 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. WARDNER MOVED** that the conference committee report on Engrossed HB 1005 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1006, as engrossed:** Your conference committee (Sens. Fischer, Holmberg, Tallackson and Reps. Carlisle, Thoreson, Kroeber) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1437 and place HB 1006 on the Seventh order.

Engrossed HB 1006 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. FISCHER MOVED** that the conference committee report on Engrossed HB 1006 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1106, as engrossed:** Your conference committee (Sens. Christmann, Holmberg, Seymour and Reps. Haas, Grande, Potter) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1474-1475 and place HB 1106 on the Seventh order.

Engrossed HB 1106 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 1106 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1126, as engrossed:** Your conference committee (Sens. Lyson, Olafson, Fiebiger and Reps. Klemin, Boehning, S. Meyer) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1156-1157 and place HB 1126 on the Seventh order.

Engrossed HB 1126 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. LYSON MOVED** that the conference committee report on Engrossed HB 1126 be adopted, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1007, as engrossed:** Your conference committee (Sens. Kilzer, Bowman, Mathern and Reps. Kreidt, Nelson, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1373-1374, adopt amendments as follows, and place HB 1007 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1373 and 1374 of the House Journal and pages 993-995 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 2, line 5, replace "960,376" with "1,061,980"

Page 2, line 8, replace "630,000" with "265,700"

Page 2, line 9, replace "1,907,339" with "1,644,643"

Page 2, line 11, replace "\$61,082" with "(\$201,614)"

Page 2, line 14, replace "122,714" with "213,680"

Page 2, line 15, replace "122,714" with "213,680"

Page 2, line 16, replace "183,796" with "12,066"

Page 2, line 18, replace "2,030,053" with "1,858,323"

Page 2, line 27, replace "8,738,917" with "8,840,521"

Page 2, line 30, replace "630,000" with "265,700"

Page 2, line 31, replace "13,211,264" with "12,948,568"

Page 3, line 2, replace "4,390,174" with "4,127,478"

Page 3, line 5, replace "776,382" with "867,348"

Page 3, line 6, replace "776,382" with "867,348"

Page 3, line 7, replace "5,166,556" with "4,994,826"

Page 3, line 9, replace "13,987,646" with "13,815,916"

Page 3, after line 9, insert:

**"SECTION 4. PREPLANNING FUNDS - REIMBURSEMENT TO GENERAL FUND.** The \$100,000 appropriated for preplanning costs for the new veterans' home in section 3 of this Act is to be included as part of the overall cost of the construction project and the veterans' home is to reimburse the general fund the \$100,000 prior to June 30, 2009, from federal matching funds available for this project."

Page 3, line 12, replace "\$630,000" with "\$265,700"

Page 3, line 18, after "improvements" insert "and preplanning" and replace "630,000" with "265,700"

Page 3, line 21, replace "689,606" with "325,306"

Page 3, line 22, replace "\$630,000" with "\$265,700"

Page 3, line 23, after "improvements" insert "and preplanning"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

##### House Bill No. 1007 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Veterans' Home						
Total all funds	\$12,871,264	\$13,211,264	(\$262,696)	\$12,948,568	\$12,988,568	(\$40,000)
Less estimated income	8,821,090	8,821,090		8,821,090	8,821,090	
General fund	\$4,050,174	\$4,390,174	(\$262,696)	\$4,127,478	\$4,167,478	(\$40,000)
Department of Veterans' Affairs						
Total all funds	\$776,382	\$776,382	\$90,966	\$867,348	\$867,348	\$0
Less estimated income						
General fund	\$776,382	\$776,382	\$90,966	\$867,348	\$867,348	\$0
Bill Total						
Total all funds	\$13,647,646	\$13,987,646	(\$171,730)	\$13,815,916	\$13,855,916	(\$40,000)
Less estimated income	8,821,090	8,821,090		8,821,090	8,821,090	
General fund	\$4,826,556	\$5,166,556	(\$171,730)	\$4,994,826	\$5,034,826	(\$40,000)

##### House Bill No. 1007 - Veterans' Home - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$8,738,917	\$8,738,917	\$101,604	\$8,840,521	\$8,840,521	
Operating expenses	3,682,000	3,512,000		3,512,000	3,562,000	(\$50,000)
Capital assets	450,347	330,347		330,347	330,347	
Life safety improvements		<u>630,000</u>	<u>(364,300)</u>	<u>265,700</u>	<u>255,700</u>	<u>10,000</u>
Total all funds	\$12,871,264	\$13,211,264	(\$262,696)	\$12,948,568	\$12,988,568	(\$40,000)
Less estimated income	<u>8,821,090</u>	<u>8,821,090</u>		<u>8,821,090</u>	<u>8,821,090</u>	

General fund	\$4,050,174	\$4,390,174	(\$262,696)	\$4,127,478	\$4,167,478	(\$40,000)
FTE	90.97	90.97	1.40	92.37	92.37	0.00

**Dept. 313 - Veterans' Home - Detail of Conference Committee Changes**

	ADDS FUNDING FOR NIGHT WATCHMEN <sup>1</sup>	DECREASES FUNDING FOR LIFE SAFETY IMPROVEMENTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$101,604		\$101,604
Operating expenses			
Capital assets			
Life safety improvements		(\$364,300)	(364,300)
Total all funds	\$101,604	(\$364,300)	(\$262,696)
Less estimated income			
General fund	\$101,604	(\$364,300)	(\$262,696)
FTE	1.40	0.00	1.40

<sup>1</sup> The Senate added funding for night watchmen. The conference committee agreed with the Senate action.

<sup>2</sup> The Senate decreased the funding to address Life Safety Code deficiencies as identified by the State Department of Health and the Fire Marshal from \$630,000 to \$255,700. The funding includes \$165,700 for repairs necessary for the plan of correction and \$90,000 for a preplanning document for the building. The conference committee increased the amount for preplanning costs to \$100,000.

The conference committee added a section providing that the \$100,000 for preplanning costs be included as part of the overall cost of the new building and this funding be reimbursed to the general fund from federal funding cost-share.

**House Bill No. 1007 - Department of Veterans' Affairs - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Veterans' Affairs	\$776,382	\$776,382	\$90,966	\$867,348	\$867,348	
Total all funds	\$776,382	\$776,382	\$90,966	\$867,348	\$867,348	\$0
Less estimated income						
General fund	\$776,382	\$776,382	\$90,966	\$867,348	\$867,348	\$0
FTE	6.00	6.00	1.00	7.00	7.00	0.00

**Dept. 321 - Department of Veterans' Affairs - Detail of Conference Committee Changes**

	ADDS FUNDING FOR A WOMEN'S VETERANS COORDINATOR POSITION <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Veterans' Affairs	\$90,966	\$90,966
Total all funds	\$90,966	\$90,966
Less estimated income		
General fund	\$90,966	\$90,966
FTE	1.00	1.00

<sup>1</sup> The Senate added funding for a women's veterans coordinator position. The conference committee agreed to this position.

Engrossed HB 1007 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. KILZER MOVED** that the conference committee report on Engrossed HB 1007 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1007, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1007:** A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjelm; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Engrossed HB 1007, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1011, as engrossed:** Your conference committee (Sens. Wardner, Krebsbach, O'Connell and Reps. Kempenich, Skarphol, Williams) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1153-1154, adopt amendments as follows, and place HB 1011 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1153 and 1154 of the House Journal and pages 924 and 925 of the Senate Journal and that Engrossed House Bill No. 1011 be amended as follows:

Page 1, line 1, after "patrol" insert "and to authorize line item transfers"

Page 1, line 17, replace "4,011,065" with "4,163,565"

Page 1, line 19, replace "4,159,584" with "4,312,084"

Page 1, line 21, replace "7,677,910" with "7,830,410"

Page 2, line 4, replace "35,009,887" with "35,162,387"

Page 2, line 6, replace "38,979,192" with "39,131,692"

Page 2, line 8, replace "27,758,772" with "27,911,272"

Page 2, replace lines 22 through 28 with:

**"SECTION 6. LINE ITEM TRANSFER - EXCEPTION - AUTHORIZATION.**

Notwithstanding section 54-16-04, the highway patrol may transfer up to \$100,000 from the field operations line item in section 3 of this Act to the law enforcement training academy line item in section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009. The highway patrol shall notify the office of management and budget of any transfers made pursuant to this section."

Re-number 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	\$2,568,016	\$2,568,016		\$2,568,016	\$2,568,016	
Field operations	35,376,823	35,009,887	\$152,500	35,162,387	35,726,823	(\$564,436)
Law Enforcement Training Academy	1,551,289	1,401,289		1,401,289	1,401,289	
Total all funds	\$39,496,128	\$38,979,192	\$152,500	\$39,131,692	\$39,696,128	(\$564,436)
Less estimated income	<u>15,665,015</u>	<u>11,220,420</u>		<u>11,220,420</u>	<u>11,220,420</u>	
General fund	\$23,831,113	\$27,758,772	\$152,500	\$27,911,272	\$28,475,708	(\$564,436)
FTE	197.00	193.00	0.00	193.00	197.00	(4.00)

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

	INCREASES FUNDING FOR SALARY EQUITY <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Administration		
Field operations	\$152,500	\$152,500
Law Enforcement Training Academy	_____	_____
Total all funds	\$152,500	\$152,500
Less estimated income	_____	_____
General fund	\$152,500	\$152,500
FTE	0.00	0.00

<sup>1</sup> Additional funding is provided for salary equity increases in addition to the \$200,000 added by the House and included in the Senate version.

A section is added allowing the Highway Patrol to transfer up to \$100,000 of the \$150,000 provided for purchasing automatic external defibrillators from the field operations line item to the Law Enforcement Training Academy line item to provide additional training for law enforcement officers and other emergency services providers. The Senate also added this section.

Funding of \$716,936 from the general fund added by the Senate for 4 FTE trooper positions is not included in the conference committee version.

The conference committee removed the section added by the House providing that the Human Resource Management Services Division of the Office of Management and Budget not consider the additional salary equity funding for the Highway Patrol in its calculation of the patrol's share of the statewide salary equity pool.

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

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. WARDNER 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 and to authorize line item transfers.

#### 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, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebigler; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nothing; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

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

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1233, as engrossed:** Your conference committee (Sens. Tollefson, Oehlke, Anderson and Reps. Brandenburg, Headland, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1154-1155, adopt amendments as follows, and place HB 1233 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1154 and 1155 of the House Journal and page 1023 of the Senate Journal and that Engrossed House Bill No. 1233 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation tax credit; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 57-38-01.8 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-01.8. Income tax credit for installation of geothermal, solar, or wind energy devices.**

1. Any taxpayer filing a North Dakota income tax return pursuant to the provisions of this chapter may claim a credit for the cost of a geothermal, solar, or wind energy device installed before January 1, 2011, in a building or on property owned or leased by the taxpayer in North Dakota. The credit provided in this section for a device installed before January 1, 2001, must be in an amount equal to five percent per year for three years, and for a device installed after December 31, 2000, must be in an amount equal to three percent per year for five years of the actual cost of acquisition and installation of the geothermal, solar, or wind energy device and must be subtracted from any income tax liability of the taxpayer as determined pursuant to the provisions of this chapter.
2. For the purposes of this section:
  - a. "Geothermal energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam.
  - b. "Solar or wind energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by a method which converts the natural energy of the sun or wind.
3. If a geothermal, solar, or wind energy device is a part of a system which uses other means of energy, only that portion of the total system directly attributable to the cost of the geothermal, solar, or wind energy device may be included in determining the amount of the credit. The costs of installation may not include costs of redesigning, remodeling, or otherwise altering the structure of a building in which a geothermal, solar, or wind energy device is installed.
4. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity that installs a geothermal, solar, or wind energy device in a building or on property owned or leased by the passthrough entity must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
5. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all of the corporations included in the North Dakota consolidated return.
6. The credit allowed under this section may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be used as a credit carryover to each of the five succeeding taxable years.
7. All or part of the unused credit allowed under this section may be sold, assigned, or otherwise transferred by the taxpayer to the purchaser of the power generated by the device as part of the consideration in a power purchase agreement, or to any North Dakota taxpayer that constructs or expands an electricity transmission line in North Dakota after August 1, 2007. The taxpayer receiving the assignment of the credit is entitled to

claim the credit against that taxpayer's tax liability under this chapter beginning with the tax year in which the power purchase agreement or the tax credit purchase agreement was fully executed by the parties and the geothermal, solar, or wind energy device is installed. If the credit is transferred to an entity that constructs or expands transmission lines, the amount of credit claimed by that entity in any taxable year may not exceed the actual cost of acquisition and installation of the transmission lines constructed in North Dakota for that taxable year.

- a. A purchaser of the tax credit must claim the credit beginning with the tax year in which the purchase agreement is fully executed by the parties and the geothermal, solar, or wind energy device is installed. A purchaser of a tax credit under this section has only the right to claim and use the credit under the terms that would have applied to the tax credit transferor, except that in the case of a credit that is sold, assigned, or otherwise transferred by the taxpayer to the tax credit transferor, the credit allowed under this section may not exceed sixty percent of the liability for tax of the tax credit purchaser under this chapter. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
- b. The tax credit transferor may sell the credit to only one tax credit purchaser each taxable year. The tax credit purchaser may not sell, assign, or otherwise transfer the credit purchased under the purchase agreement.
- c. If the taxpayer elects to sell, assign, or otherwise transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser shall file jointly with the tax commissioner a copy of the purchase agreement affecting the tax credit transfer and a statement containing the name, address, and taxpayer identification number of any party to the transfer; the total installed cost of the qualifying geothermal, solar, or wind energy device; the amount of the credit being transferred; the gross proceeds received by the transferor; and the tax year for which the credit may be claimed. The purchase agreement must state clearly the purchase price associated with the tax credit sold. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and confidentiality waiver must be filed within thirty days after the date the purchase agreement is fully executed. The tax commissioner may audit the returns and assess or issue refunds, notwithstanding any other time limitation prescribed under law which may have expired for the purchaser.
- d. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40.
- e. The total amount of credits that can be sold by a taxpayer is limited to three million dollars each biennium. This limit applies on the basis of the date of installation of the geothermal, solar, or wind energy device.
- f. Gross proceeds received under the purchase agreement by the tax credit transferor for the sale, assignment, or transfer of the tax credit must be allocated to North Dakota. The amount assigned under this subsection may not be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
- g. Within four years after the date of the credit assignment, the tax commissioner may audit the returns of the credit transferor and the

purchaser to verify the correctness of the amount of the transferred credit and, if necessary, assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.

- h. The tax commissioner may adopt rules to permit verification of the validity, timeliness, and limitations on the sale of the tax credit transferred under this section.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for geothermal, solar, or wind energy devices installed after December 31, 2006."

Renumber accordingly

Engrossed HB 1233 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. TOLLEFSON MOVED** that the conference committee report on Engrossed HB 1233 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1233, as amended, was placed on the Fourteenth order.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that HB 1233 and HB 1311 be moved to the bottom of the calendar, which motion prevailed.

#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1433, as engrossed:** Your conference committee (Sens. Dever, J. Lee, Heckaman and Reps. Weisz, Klein, Potter) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1408-1409, adopt amendments as follows, and place HB 1433 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1408 and 1409 of the House Journal and pages 807 and 808 of the Senate Journal and that Engrossed House Bill No. 1433 be amended as follows:

Page 1, line 13, replace "and" with an underscored comma and after "pharmacists" insert ", and certified diabetes educators"

Page 1, line 15, after "pharmacists" insert "and certified diabetes educators"

Page 1, line 21, replace "prescriptives" with "prescriptive"

Page 2, line 3, replace "by implementing" with "from any available funds in the uniform group insurance program and if necessary the fund may add up to"

Page 2, line 4, after the underscored period insert "A state agency shall pay any additional premium from the agency's existing appropriation."

Renumber accordingly

Engrossed HB 1433 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. DEVER MOVED** that the conference committee report on Engrossed HB 1433 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1433, as amended, was placed on the Fourteenth order.

#### **SECOND READING OF HOUSE BILL**

**HB 1433:** A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to diabetes treatment management services for state employees and their families.

#### **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, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne;

Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Engrossed HB 1433, as amended, passed and the title was agreed to.

\*\*\*\*\*

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has introduced HB 1522 which is being transmitted to the Senate for first reading.

**FIRST READING OF HOUSE BILL**

**HB 1522:** 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 office of management and budget; to provide an exemption; and to provide legislative intent.

Was read the first time.

**MOTION**

**SEN. CHRISTMANN MOVED** that the rules be suspended and that HB 1522 not be referred to committee but be transmitted to the House for second reading in the House.

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

**MR. SPEAKER:** The Senate has introduced HB 1522 which is being transmitted to the House for second reading.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: HB 1002, HB 1005, HB 1006, HB 1106, HB 1126.

**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 1007, HB 1011, HB 1433.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2200.

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

**MR. SPEAKER:** The President has signed: HB 1127, HB 1263, HB 1319, HB 1359, HB 1435, HB 1462, HB 1463.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SCR 4039.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 3:00 p.m., which motion prevailed.

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

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate reconsider its action whereby the conference committee report was adopted and Engrossed HB 1233, as amended, was placed on the Fourteenth order of business on the calendar, which motion prevailed.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. TOLLEFSON MOVED** that the conference committee report on Engrossed HB 1233 be rejected, which motion prevailed on a voice vote.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2032, as reengrossed:** Your conference committee (Sens. Urlacher, Cook, Triplett and Reps. Belter, Drovdal, S. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1445-1453, adopt amendments as follows, and place SB 2032 on the Seventh order:

That the House recede from its amendments as printed on pages 1445-1453 of the Senate Journal and pages 1615-1623 of the House Journal and that Reengrossed Senate Bill No. 2032 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 57-38 and two new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief and a homestead income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a legislative council study; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-08.1. Homestead credit.**

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
  - (1) If the person's income is not in excess of ~~eight ten~~ eight ten thousand ~~five hundred~~ dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand ~~thirty-eight~~ three hundred seventy-five dollars of taxable valuation.
  - (2) If the person's income is in excess of ~~eight ten~~ eight ten thousand ~~five hundred~~ dollars and not in excess of ~~ten~~ twelve thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~four~~ seven hundred ~~thirty~~ dollars of taxable valuation.
  - (3) If the person's income is in excess of ~~ten~~ twelve thousand dollars and not in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two~~ two thousand ~~eight hundred twenty-three~~ twenty-five dollars of taxable valuation.
  - (4) If the person's income is in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars and not in excess of ~~thirteen~~ sixteen thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~two~~ three hundred ~~fifteen~~ fifty dollars of taxable valuation.
  - (5) If the person's income is in excess of ~~thirteen~~ sixteen thousand dollars and not in excess of ~~fourteen~~ seventeen thousand five hundred dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of six hundred ~~eight~~ seventy-five dollars of taxable valuation.

- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
  - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
  - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
  - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
  - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
  - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
2.
    - a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
    - b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
    - c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
    - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
    - e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
    - f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.

3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
5. For the purposes of this section:
  - a. "Dependent" has the same meaning it has for federal income tax purposes.
  - b. "Homestead" has the same meaning as provided in section 47-18-01.
  - c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.
  - d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.
  - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months as established by a certificate from a licensed physician.

**SECTION 2. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-12-09. ~~Written notice~~ Notice of increased assessment to real estate owner.** When any assessor has increased the true and full valuation of any lot or tract of land ~~together with~~ or any improvements thereon ~~by fifteen percent or more to more than ten percent more than the amount~~ of the last assessment, ~~written~~ notice of the amount of increase over the last assessment and the amount of the last assessment must be delivered in writing by the assessor to the property owner ~~or~~, mailed in writing to the property owner at the property owner's last-known address ~~except that no notice need be delivered or mailed if the true and full valuation is increased by less than three thousand dollars~~, or provided to the property owner by electronic mail directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice. Delivery of notice to a property owner under this section must be completed not fewer than fifteen days before the meeting of the local equalization board. The tax commissioner shall prescribe suitable forms for this notice and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. The notice must be mailed or delivered ~~to the property owner at least ten days in advance of the meeting date of the local equalization board and must be mailed or delivered~~ at the expense of the assessment district for which the assessor is employed.

**SECTION 3. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. ~~Tax~~ General fund levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a

general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ~~twenty ten~~ percent of the number of ~~persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required~~ electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 4. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement.** On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known

address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 5.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Marriage penalty credit.**

1. A married couple filing a joint return under section 57-38-30.3 is allowed a credit of not to exceed three hundred dollars per couple as determined under this section. The tax commissioner shall adjust the maximum amount of the credit under this subsection each taxable year at the time and rate adjustments are made to rate schedules under subdivision g of subsection 1 of section 57-38-30.3.
2. The credit under this section is the difference between the tax on the couple's joint North Dakota taxable income under the rates and income levels in subdivision b of subsection 1 of section 57-38-30.3 and the sum of the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the earned income of the lesser-earning spouse, and the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the couple's joint North Dakota taxable income, minus the earned income of the lesser-earning spouse.
3. The tax commissioner shall prepare and make available to taxpayers a comprehensive table showing the credit under this section at brackets of earnings of the lesser-earning spouse and joint taxable income. The brackets of earnings may not be more than two thousand dollars.
4. For a nonresident or part-year resident, the credit under this section must be adjusted based on the percentage calculated under subdivision f of subsection 1 of section 57-38-30.3.
5. For purposes of this section:
  - a. "Earned income" means the sum of the following, to the extent included in North Dakota taxable income:
    - (1) Earned income as defined in section 32(c)(2) of the Internal Revenue Code;
    - (2) Income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; and
    - (3) Social security benefits as defined in section 86(d)(1) of the Internal Revenue Code.
  - b. "Earned income of the lesser-earning spouse" means the earned income of the spouse with the lesser amount of earned income for the taxable year minus the sum of:
    - (1) The amount for one exemption under section 151(d) of the Internal Revenue Code; and
    - (2) One-half of the amount of the standard deduction under section 63(c)(2)(A)(4) of the Internal Revenue Code.

**SECTION 6.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Homestead income tax credit - Rules.**

1. In addition to any other credit or deduction allowed by law for a homeowner, an individual is entitled to a credit against the tax imposed under section 57-38-29 or section 57-38-30.3 for taxable years 2007 and 2008 in the amount of ten percent of property taxes or mobile home taxes that became due during the income tax taxable year and are paid which were levied against the individual's homestead in this state. For purposes of this section, "property taxes" does not include any special assessments.
2. For purposes of this section, "homestead" means the dwelling occupied by the individual as the individual's primary residence and, if that residence is in this state, any residential or agricultural property owned by that individual in this state.
3.
  - a. The amount of the credit under this section may not exceed one thousand dollars for married persons filing a joint return or five hundred dollars for a single individual or married individuals filing separate returns.
  - b. The amount of the credit under this section may not exceed the taxpayer's tax liability under this chapter.
4. The amount of the credit under subsection 3 in excess of the taxpayer's tax liability may be carried forward for up to five years.
5. Persons owning property together are entitled to only one credit for a parcel of property between or among them under this section. Persons owning property together are each entitled to a percentage of the credit for a single individual under this section equal to their ownership interests in the property.
6. This section is not subject to subsection 1 or subsection 2 of section 57-38-45.
7. The tax commissioner shall adopt rules to provide for filing and verification of claims of credits under this section.
8.
  - a. If, on November 15, 2008, the total amount of tax credits claimed under this section exceeds forty-four million dollars, the tax commissioner shall reduce the rate of the credit under subsection 1. The adjusted credit rate must be calculated by the tax commissioner as follows:
    - (1) The tax commissioner shall determine the percentage by which the credits claimed under this section exceeds forty-four million dollars.
    - (2) The difference between the number one and the amount calculated under subdivision a multiplied by ten percent is the adjusted credit rate for the 2008 taxable year.
  - b. The tax commissioner shall report any adjustment under this subsection to the budget section of the legislative council for review.

**SECTION 7.** Two new subsections to section 57-38-30.3 of the North Dakota Century Code are created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credit provided under section 5 of this Act.

A taxpayer filing a return under this section is entitled to the credit provided under section 6 of this Act.

**SECTION 8. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-55-04. Taxes - How determined - Disbursement.** The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the mobile home by the county and school district and any city or township that levied taxes against the mobile home. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

**SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,604,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of enhanced funding for the expanded homestead tax credit as provided in this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 10. LEGISLATIVE COUNCIL STUDY.** The legislative council shall study in each interim through 2012 the feasibility and desirability of property tax reform and providing property tax relief to taxpayers of the state, with the goal of reduction of each taxpayer's annual property tax bill to an amount that is not more than one and one-half percent of the true and full value of property, and including examination of the proper measure of education funding from local taxation and state resources and the variability of funding resources among taxing districts and examination of improved collection and reporting of property tax information to identify residency of property owners with minimized administrative difficulty. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the legislative assembly subsequent to each interim.

**SECTION 11. EFFECTIVE DATE.** Sections 1, 3, and 4 of this Act are effective for taxable years beginning after December 31, 2006. Section 8 of this Act is effective for taxable years beginning after December 31, 2007, for mobile home taxes. Section 2 of this Act is effective for taxable years beginning after December 31, 2007. Sections 5, 6, and 7 of this Act are effective for taxable years beginning after December 31, 2006."

ReNUMBER accordingly

Reengrossed SB 2032 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. URLACHER MOVED** that the conference committee report on Reengrossed SB 2032 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2032, as amended, was placed on the Eleventh order.

#### **SECOND READING OF SENATE BILL**

**SB 2032:** A BILL for an Act to create and enact two new sections to chapter 57-38 and two new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief and a homestead income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a legislative council study; 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebigger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne;

Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Reengrossed SB 2032 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2012, as engrossed:** Your conference committee (Sens. Fischer, Kilzer, Mathern and Reps. Pollert, Bellew, Metcalf) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1101-1110, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1101-1110 of the Senate Journal and pages 1239-1247 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, remove the first "a" and replace "study" with "studies"

Page 1, line 6, remove "26.1-45-13,", remove "and", and replace "subsection 6 of section 50-06.2-02" with "50-06-24"

Page 1. remove line 7

Page 1, line 8, remove ", subsection 4 of section 50-24.5-02, and subsection 2 of section 50-24.5-03"

Page 1, line 11, replace "qualified service providers" with "guardianship services" and after the semicolon insert "and"

Page 1, line 12, remove "; and to provide an"

Page 1, line 13, remove "effective date"

Page 3, line 7, replace "1,015,145" with "685,145"

Page 3, line 10, replace "(\$27,582,012)" with "(\$27,912,012)"

Page 3, line 12, replace "1,486,564" with "1,156,564"

Page 3, line 15, replace "2,856,130" with "2,186,130"

Page 3, line 16, replace "26,576,252" with "26,791,117"

Page 3, line 18, replace "8,938,273" with "9,023,335"

Page 3, line 19, replace "132,453,022" with "94,404,026"

Page 3, line 20, replace "170,790,212" with "132,371,143"

Page 3, line 21, replace "92,129,556" with "67,943,796"

Page 3, line 22, replace "78,660,656" with "64,427,347"

Page 3, line 25, replace "193,654" with "146,655"

Page 3, line 26, replace "1,540,622" with "1,446,512"

Page 3, line 27, replace "739,666" with "683,064"

Page 3, line 28, replace "1,647,335" with "1,537,933"

Page 3, line 29, replace "2,441,031" with "2,316,347"

Page 3, line 30, replace "2,584,618" with "2,496,321"

Page 3, line 31, replace "2,226,472" with "2,113,795"

Page 4, line 1, replace "621,652" with "564,763"

Page 4, line 2, replace "17,209,433" with "16,838,960"

Page 4, line 3, replace "6,031,330" with "5,331,330"

Page 4, line 4, replace "35,235,813" with "33,475,680"

Page 4, line 5, replace "4,462,288" with "4,472,489"

Page 4, line 6, replace "30,773,525" with "29,003,191"

Page 4, line 7, replace "110,920,745" with "94,587,102"

Page 4, line 8, replace "67,523,268" with "43,347,709"

Page 4, line 9, replace "178,444,013" with "137,934,811"

Page 4, line 18, replace "11,723,883" with "11,393,883"

Page 4, line 21, replace "44,098,190" with "43,768,190"

Page 4, line 23, replace "21,013,025" with "20,683,025"

Page 4, line 26, replace "25,668,611" with "24,998,611"

Page 4, line 27, replace "66,356,937" with "66,571,802"

Page 4, line 29, replace "341,776,723" with "341,861,785"

Page 4, line 30, replace "1,138,809,360" with "1,100,760,364"

Page 4, line 31, replace "1,572,612,030" with "1,534,192,961"

Page 5, line 1, replace "1,127,268,003" with "1,103,082,243"

Page 5, line 2, replace "445,344,027" with "431,110,718"

Page 5, line 5, replace "7,545,956" with "7,498,957"

Page 5, line 6, replace "16,888,313" with "16,794,203"

Page 5, line 7, replace "9,883,098" with "9,826,496"

Page 5, line 8, replace "22,230,466" with "22,121,064"

Page 5, line 9, replace "26,206,795" with "26,082,111"

Page 5, line 10, replace "14,781,265" with "14,692,968"

Page 5, line 11, replace "20,813,941" with "20,701,264"

Page 5, line 12, replace "9,863,050" with "9,806,161"

Page 5, line 13, replace "65,126,604" with "64,756,131"

Page 5, line 14, replace "48,456,612" with "47,756,612"

Page 5, line 15, replace "241,796,100" with "240,035,967"

Page 5, line 16, replace "112,810,933" with "112,821,134"

Page 5, line 17, replace "128,985,167" with "127,214,833"

Page 5, line 18, replace "595,342,219" with "579,008,576"

Page 5, line 19, replace "1,263,164,101" with "1,238,988,542"

Page 5, line 20, replace "1,858,506,320" with "1,817,997,118"

Page 5, line 25, remove "As determined necessary by the director of the department of human"

Page 5, remove lines 26 and 27

Page 5, line 28, remove "section 3 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, replace lines 3 through 15 with:

**"SECTION 5. CONTINGENT USE OF 2007-09 ANTICIPATED UNSPENT GENERAL FUND APPROPRIATION AUTHORITY.** If the department of human services projects any funds remaining unspent from its 2007-09 biennium general fund appropriation, the department may spend the funds and any related federal funds for the biennium beginning July 1, 2007, and ending June 30, 2009, to the extent available as follows:

1. Use the first \$3,575,000, or so much of that amount as may be necessary, to provide for any cost or caseload/utilization increases in excess of the amounts anticipated by the sixtieth legislative assembly for developmental disabilities-related medical assistance payments; and
2. Use the next \$700,000, or so much of that amount as may be necessary, for the purpose of providing additional salaries and wages funding if savings resulting from vacant positions and employee turnover is less than anticipated by the sixtieth legislative assembly.

**SECTION 6. CRITICAL ACCESS HOSPITALS - MEDICAL ASSISTANCE REIMBURSEMENT METHOD.** The department of human services shall implement a cost-based reimbursement system for inpatient and outpatient hospital services of critical access hospitals based on the funding provided in section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 7. DEPARTMENT OF HUMAN SERVICES STUDY - REBASING MEDICAL SERVICES PAYMENT RATES - REPORT TO LEGISLATIVE ASSEMBLY.** The department of human services shall determine, during the 2007-08 interim and with the assistance of a health care consultant, the estimated cost of rebasing payment rates under the medical assistance program for hospital, physician, dentist, ambulance, and chiropractic services to the actual cost of providing these services for use in preparing the department's budget request for the 2009-11 biennium. The base year used in developing the cost estimate must be the most recent calendar year for which complete financial information is available to the department. The department shall report its findings and recommendations to the appropriations committees of the sixty-first legislative assembly. The department's recommendations may include options for staggered implementation or earlier implementation date preferences for service providers that have medical assistance service revenue that is ten percent or more of its total patient revenue. Any funds appropriated by the sixtieth legislative assembly to the department for providing the information required by this section may not be spent for other purposes during the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 8. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION.** The legislative council shall consider studying, during the 2007-08 interim, the feasibility and desirability of continuing the equalization of nursing home payment rates and the feasibility and desirability of establishing a provider tax or assessment on nursing homes. The study must include input from representatives of the department of human services, other appropriate state agencies, and the nursing home industry. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 9. LEGISLATIVE COUNCIL STUDY - INFANT DEVELOPMENT PROGRAM.** The legislative council shall consider studying, during the 2007-08 interim, infant development programs. The study, if conducted, must include a review of the state's lead agency agreement, service coordination, staffing, and funding structure, including the adequacy of the funding and the equitable distribution of the funds to providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 10. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES SERVICE PROVIDERS FUNDING INCREASES - EMPLOYEE SALARY INCREASE PRIORITY.** It is the intent of the sixtieth legislative assembly that developmental disabilities service providers give priority to using the increased funding being provided for the 2007-09 biennium for increasing employees' salaries.

**SECTION 11. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in subdivision 3 of section 3 of this Act includes \$8,244,131 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The department of human services shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

State hospital	
Sex offender treatment addition	\$3,100,000
Capital improvements	3,062,757
Extraordinary repairs	1,153,500
Developmental center	
Capital improvements	300,000
Extraordinary repairs	547,092
Equipment	80,782
Total	\$8,244,131"

Page 6, line 19, after "under" insert "the department's existing" and replace "with the Robinson recovery center" with "for methamphetamine treatment services"

Page 6, line 22, replace "\$170,500" with "\$525,597"

Page 6, remove lines 30 and 31

Page 7, remove lines 1 through 4

Page 11, remove lines 5 through 12

Page 13, replace lines 16 through 31 with:

**"SECTION 21. AMENDMENT.** Section 50-06-24 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-24. Guardianship services.** The department of human services may create and coordinate a unified system for the provision of guardianship services to vulnerable adults who are ineligible for developmental disabilities case management services. The system must include a base unit funding level at the same level as developmental disability corporate guardianship rates, provider standards, staff competency requirements, ~~the use of an emergency funding procedure to cover the costs of establishing needed guardianships~~, and guidelines and training for guardians. ~~The department shall require that the contracting entity develop and maintain a system of volunteer guardians to serve the state.~~ The department shall adopt rules for guardianship services to vulnerable adults which are consistent with chapters 30.1-26, 30.1-28, and 30.1-29."

Page 14, remove lines 1 through 30

Page 16, remove lines 9 through 30

Page 17, remove lines 1 and 2

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	\$44,098,190	\$44,098,190	(\$330,000)	\$43,768,190	\$42,768,190	\$1,000,000

Less estimated income	23,085,165	23,085,165		23,085,165	22,508,965	576,200
General fund	\$21,013,025	\$21,013,025	(\$330,000)	\$20,683,025	\$20,259,225	\$423,800
DHS - Program and Policy						
Total all funds	\$1,531,965,784	\$1,572,612,030	(\$38,419,069)	\$1,534,192,961	\$1,537,744,534	(\$3,551,573)
Less estimated income	1,103,015,555	1,127,268,003	(24,185,760)	1,103,082,243	1,106,107,509	(3,025,266)
General fund	\$428,950,229	\$445,344,027	(\$14,233,309)	\$431,110,718	\$431,637,025	(\$526,307)
DHS - State Hospital						
Total all funds	\$64,959,122	\$65,126,604	(\$370,473)	\$64,756,131	\$64,692,846	\$63,285
Less estimated income	15,888,310	15,888,310	(1,445)	15,886,865	15,886,865	
General fund	\$49,070,812	\$49,238,294	(\$369,028)	\$48,869,266	\$48,805,981	\$63,285
DHS - Developmental Center						
Total all funds	\$48,456,612	\$48,456,612	(\$700,000)	\$47,756,612	\$47,756,612	\$0
Less estimated income	33,243,690	33,243,690		33,243,690	33,243,690	
General fund	\$15,212,922	\$15,212,922	(\$700,000)	\$14,512,922	\$14,512,922	\$0
DHS - Northwest HSC						
Total all funds	\$7,525,581	\$7,545,956	(\$46,999)	\$7,498,957	\$7,511,691	(\$12,734)
Less estimated income	3,136,258	3,136,258		3,136,258	3,136,258	
General fund	\$4,389,323	\$4,409,698	(\$46,999)	\$4,362,699	\$4,375,433	(\$12,734)
DHS - North Central HSC						
Total all funds	\$16,842,742	\$16,888,313	(\$94,110)	\$16,794,203	\$16,822,684	(\$28,481)
Less estimated income	7,917,967	7,917,967		7,917,967	7,917,967	
General fund	\$8,924,775	\$8,970,346	(\$94,110)	\$8,876,236	\$8,904,717	(\$28,481)
DHS - Lake Region HSC						
Total all funds	\$9,853,344	\$9,883,098	(\$56,602)	\$9,826,496	\$9,845,092	(\$18,596)
Less estimated income	4,417,334	4,417,334		4,417,334	4,417,334	
General fund	\$5,436,010	\$5,465,764	(\$56,602)	\$5,409,162	\$5,427,758	(\$18,596)
DHS - Northeast HSC						
Total all funds	\$22,192,605	\$22,230,466	(\$109,402)	\$22,121,064	\$22,144,727	(\$23,663)
Less estimated income	12,256,322	12,260,487	1,562	12,262,049	12,264,652	(2,603)
General fund	\$9,936,283	\$9,969,979	(\$110,964)	\$9,859,015	\$9,880,075	(\$21,060)
DHS - Southeast HSC						
Total all funds	\$26,145,474	\$26,206,795	(\$124,684)	\$26,082,111	\$26,120,436	(\$38,325)
Less estimated income	14,296,599	14,296,599		14,296,599	14,296,599	
General fund	\$11,848,875	\$11,910,196	(\$124,684)	\$11,785,512	\$11,823,837	(\$38,325)
DHS - South Central HSC						
Total all funds	\$14,741,738	\$14,781,265	(\$88,297)	\$14,692,968	\$14,717,673	(\$24,705)
Less estimated income	6,450,546	6,460,823	3,853	6,464,676	6,471,100	(6,424)
General fund	\$8,291,192	\$8,320,442	(\$92,150)	\$8,228,292	\$8,246,573	(\$18,281)
DHS - West Central HSC						
Total all funds	\$20,768,172	\$20,813,941	(\$112,677)	\$20,701,264	\$20,729,869	(\$28,605)
Less estimated income	10,327,232	10,343,709	6,178	10,349,887	10,360,185	(10,298)
General fund	\$10,440,940	\$10,470,232	(\$118,855)	\$10,351,377	\$10,369,684	(\$18,307)
DHS - Badlands HSC						
Total all funds	\$9,848,996	\$9,863,050	(\$56,889)	\$9,806,161	\$9,814,944	(\$8,783)
Less estimated income	4,845,616	4,845,756	53	4,845,809	4,845,897	(88)
General fund	\$5,003,380	\$5,017,294	(\$56,942)	\$4,960,352	\$4,969,047	(\$8,695)
Bill Total						
Total all funds	\$1,817,398,360	\$1,858,506,320	(\$40,509,202)	\$1,817,997,118	\$1,820,669,298	(\$2,672,180)
Less estimated income	1,238,880,594	1,263,164,101	(24,175,559)	1,238,988,542	1,241,457,021	(2,468,479)
General fund	\$578,517,766	\$595,342,219	(\$16,333,643)	\$579,008,576	\$579,212,277	(\$203,701)

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

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,723,883	\$11,723,883	(\$330,000)	\$11,393,883	\$11,393,883	
Operating expenses	32,374,022	32,374,022		32,374,022	31,374,022	\$1,000,000
Capital assets	285	285		285	285	
Total all funds	\$44,098,190	\$44,098,190	(\$330,000)	\$43,768,190	\$42,768,190	\$1,000,000
Less estimated income	23,085,165	23,085,165		23,085,165	22,508,965	576,200
General fund	\$21,013,025	\$21,013,025	(\$330,000)	\$20,683,025	\$20,259,225	\$423,800
FTE	102.10	102.10	0.00	102.10	102.10	0.00

#### <sup>1</sup>Management - Conference Committee Changes:

Reduces funding for salaries and wages in anticipation of savings resulting from vacant positions and employee turnover, the same as the House version

(\$330,000)

(\$330,000)

#### Administration Support Program

No changes

#### Division of Information Technology Program

No changes

#### Total Conference Committee Changes - Management

0.00

(\$330,000)

\$0

(\$330,000)

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

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
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Salaries and wages	\$25,593,565	\$25,668,611	(\$670,000)	\$24,998,611	\$24,998,611	
Operating expenses	65,561,106	66,356,937	214,865	66,571,802	66,514,290	\$57,512
Capital assets	399	399		399	399	
Grants	339,435,262	341,776,723	85,062	341,861,785	341,964,940	(103,155)
Grants - Medical assistance	<u>1,101,375,452</u>	<u>1,138,809,360</u>	<u>(38,048,996)</u>	<u>1,100,760,364</u>	<u>1,104,266,294</u>	<u>(3,505,930)</u>
Total all funds	\$1,531,965,784	\$1,572,612,030	(\$38,419,069)	\$1,534,192,961	\$1,537,744,534	(\$3,551,573)
Less estimated income	<u>1,103,015,555</u>	<u>1,127,268,003</u>	<u>(24,185,760)</u>	<u>1,103,082,243</u>	<u>1,106,107,509</u>	<u>(3,025,266)</u>
General fund	\$428,950,229	\$445,344,027	(\$14,233,309)	\$431,110,718	\$431,637,025	(\$526,307)
FTE	230.30	231.30	0.00	231.30	231.30	0.00

FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
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**<sup>1</sup>Program and Policy - Conference Committee Changes:**

Reduces funding for salaries and wages in anticipation of savings resulting from vacant positions and employee turnover, the same as the House version

	(\$670,000)		(\$670,000)
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**Economic Assistance Policy Program**

No changes

**Child Support Program**

Removes operating expenses funding from the general fund for the Devils Lake Child Support Enforcement Unit due to provisions of Senate Bill No. 2205 providing for state administration of child support enforcement, the same as the House version

	(215,016)		(215,016)
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**Medical Services Program**

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for medical-related service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.

	565,968	\$1,152,404	1,718,372
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Removes funding for grants - Medical assistance added by the Senate for increasing medically needy income levels from 61 to 83 percent of poverty. The House also removed this funding.

	(2,529,690)	(4,493,325)	(7,023,015)
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Reduces funding for grants - Medical assistance added by the Senate to provide \$1 million from the general fund for continuous Medicaid eligibility for children under 19 years of age who are either categorically or optionally categorically needy beginning January 2008. The section added by the Senate providing that the department monitor and report on these expenditures is also removed as well as the section added by the House providing for a Legislative Council study of the feasibility and desirability of allowing continuous Medicaid eligibility for this population.

	(1,281,110)	(2,275,553)	(3,556,663)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of the following medical assistance services from the amounts included in the executive budget and Senate version:

Inpatient hospital	(1,000,000)	(1,776,236)	(2,776,236)
Drugs	(1,783,368)	(3,167,035)	(4,950,403)
Healthy Steps	(200,000)	(593,336)	(793,336)
Durable medical equipment	(166,269)	(295,177)	(461,446)

The House also made these reductions.

Adds funding for grants - Medical assistance to increase Medicaid payment rates to implement cost-based reimbursement for critical access hospitals. The House had added \$1,394,469 from the general fund for increasing Medicaid hospital payment rates to the maximum base rate.

	1,544,469	2,743,341	4,287,810
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Adds funding for grants - Medical assistance to increase Medicaid payment rates for chiropractic services. The House had also added a section requiring the payment rates for chiropractic services to be 50 percent of fiscal year 2006 billed charges, which is not included in the conference committee version.

	31,845	56,564	88,409
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Adds funding for grants - Medical assistance to increase Medicaid payment rates for ambulance services, the same as the House version

	125,000	222,029	347,029
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Adds operating expenses funding and a section to the bill requiring the department to develop a method for rebasing hospital, physician, dentist, ambulance, and chiropractic services payment rates under the Medicaid program, the same as the House version

	175,000	175,000	350,000
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**Long-Term Care Program**

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for long-term care service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase. Of the total, \$525,597 is from the health care trust fund for the additional state matching funds relating to nursing homes. The House version included \$1,144,080 from the health care trust fund.

	645,293	2,431,014	3,076,307
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Adds funding for grants - Medical assistance to continue the same SPED eligibility criteria as the 2005-07 biennium, the same as the House version

	1,537,030	80,896	1,617,926
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Removes funding for grants - Medical assistance to continue the \$50 per month personal care allowance for residents of nursing homes and intermediate care facilities for persons with mental retardation. The Senate had provided a \$55 per month allowance. The House also provided a \$50 per month allowance.

		(499,850)	(499,850)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of nursing home, aged and disabled waiver, basic care, and personal

	(6,185,000)	(10,986,015)	(17,171,015)
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care option services from the amounts included in the executive budget and Senate version. The House also made this reduction.

Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of basic care services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(216,537)	(145,565)	(362,102)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of developmental disabilities services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(3,575,000)	(6,350,042)	(9,925,042)
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Reduces funding added by the Senate from \$900,000 to \$300,000 from the general fund for the transition of selected Developmental Center residents to community programs. The House had provided \$200,000 from the general fund for this item.	(600,000)	(1,065,741)	(1,665,741)
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#### Aging Services Program

No changes

#### Children and Family Services Program

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for children and family service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.

84,030	249,424	333,454
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Reduces funding for grants to reflect an anticipated reduction in the cost and caseload/utilization of subsidized adoption services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(300,000)	(426,392)	(726,392)
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Adds funding from federal TANF block grant funds for grants to increase reimbursements for county child abuse and neglect assessments by \$100 per assessment, the same as the House version		770,800	770,800
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#### Mental Health and Substance Abuse Program

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for contract service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.

9,360	2,191	11,551
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#### Developmental Disabilities Council

##### Disabilities Program

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for contract service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.

20,686	4,844	25,530
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Reduces funding added by the Senate for centers for independent living. The conference committee version is the same as the House version which provides a total of \$1,381,457, of which \$546,040 is from the general fund. The executive budget recommended \$1,131,457, of which \$296,040 is from the general fund and the Senate provided \$1,631,457, of which \$796,040 is from the general fund.	(250,000)		(250,000)
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<b>Total Conference Committee Changes - Program and Policy</b>	0.00	(\$14,233,309)	(\$24,185,760)	(\$38,419,069)
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### Senate Bill No. 2012 - Department of Human Services - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Traditional	\$52,371,738	\$52,371,738		\$52,371,738	\$52,371,738	
Secure	12,587,384	12,587,384		12,587,384	12,587,384	
Institutions		167,482	(\$370,473)	(202,991)	(266,276)	63,285
Total all funds	\$64,959,122	\$65,126,604	(\$370,473)	\$64,756,131	\$64,692,846	\$63,285
Less estimated income	15,888,310	15,888,310	(1,445)	15,886,865	15,886,865	
General fund	\$49,070,812	\$49,238,294	(\$369,028)	\$48,869,266	\$48,805,981	\$63,285
FTE	465.01	466.51	(1.00)	465.51	465.01	0.50
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL

#### <sup>1</sup>State Hospital - Conference Committee Changes:

Removes funding for a vocational training position in the secure services unit added in the executive budget. The House also removed this position.

(1.00)	(\$69,028)	(\$1,445)	(\$70,473)
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Reduces funding for capital improvements from \$3,362,757 to \$3,062,757, the same as the House version			(300,000)	(300,000)
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<b>Total Conference Committee Changes - State Hospital</b>			(1.00)	(\$369,028)	(\$1,445)	(\$370,473)
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### Senate Bill No. 2012 - Department of Human Services - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Human service centers/	\$48,456,612	\$48,456,612	(\$700,000)	\$47,756,612	\$47,756,612	

institutions						
Total all funds	\$48,456,612	\$48,456,612	(\$700,000)	\$47,756,612	\$47,756,612	\$0
Less estimated income	<u>33,243,690</u>	<u>33,243,690</u>		<u>33,243,690</u>	<u>33,243,690</u>	
General fund	\$15,212,922	\$15,212,922	(\$700,000)	\$14,512,922	\$14,512,922	\$0
FTE	449.54	449.54	0.00	449.54	449.54	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
<b><sup>1</sup>Developmental Center - Conference Committee Changes:</b>						
Reduces funding for capital improvement projects from the general fund from \$947,092 to \$300,000, the same as the House version				(\$647,092)		(\$647,092)
Reduces funding for extraordinary repairs from \$600,000 to \$547,092, the same as the House version				(52,908)		(52,908)
<b>Total Conference Committee Changes - Developmental Center</b>			0.00	(\$700,000)	\$0	(\$700,000)

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

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Northwest HSC	\$4,389,323	\$4,409,698	(\$46,999)	\$4,362,699	\$4,375,433	(\$12,734)
DHS - North Central HSC	8,924,775	8,970,346	(94,110)	8,876,236	8,904,717	(28,481)
DHS - Lake Region HSC	5,436,010	5,465,764	(56,602)	5,409,162	5,427,758	(18,596)
DHS - Northeast HSC	9,936,283	9,969,979	(110,964)	9,859,015	9,880,075	(21,060)
DHS - Southeast HSC	11,848,875	11,910,196	(124,684)	11,785,512	11,823,837	(38,325)
DHS - South Central HSC	8,291,192	8,320,442	(92,150)	8,228,292	8,246,573	(18,281)
DHS - West Central HSC	10,440,940	10,470,232	(118,855)	10,351,377	10,369,684	(18,307)
DHS - Badlands HSC	<u>5,003,380</u>	<u>5,017,294</u>	<u>(56,942)</u>	<u>4,960,352</u>	<u>4,969,047</u>	<u>(8,695)</u>
Total general fund	\$64,270,778	\$64,533,951	(\$701,306)	\$63,832,645	\$63,997,124	(\$164,479)

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

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Northwest HSC	\$3,136,258	\$3,136,258		\$3,136,258	\$3,136,258	
DHS - North Central HSC	7,917,967	7,917,967		7,917,967	7,917,967	
DHS - Lake Region HSC	4,417,334	4,417,334		4,417,334	4,417,334	
DHS - Northeast HSC	12,256,322	12,260,487	\$1,562	12,260,049	12,264,652	(\$2,603)
DHS - Southeast HSC	14,296,599	14,296,599		14,296,599	14,296,599	
DHS - South Central HSC	6,450,546	6,460,823	3,853	6,464,676	6,471,100	(6,424)
DHS - West Central HSC	10,327,232	10,343,709	6,178	10,349,887	10,360,185	(10,298)
DHS - Badlands HSC	<u>4,845,616</u>	<u>4,845,756</u>	<u>53</u>	<u>4,845,809</u>	<u>4,845,897</u>	<u>(88)</u>
Total other funds	\$63,647,874	\$63,678,933	\$11,646	\$63,690,579	\$63,709,992	(\$19,413)

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

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES <sup>1</sup>	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Northwest HSC	\$7,525,581	\$7,545,956	(\$46,999)	\$7,498,957	\$7,511,691	(\$12,734)
DHS - North Central HSC	16,842,742	16,888,313	(94,110)	16,794,203	16,822,684	(28,481)
DHS - Lake Region HSC	9,853,344	9,883,098	(56,602)	9,826,496	9,845,092	(18,596)
DHS - Northeast HSC	22,192,605	22,230,466	(109,402)	22,121,064	22,144,727	(23,663)
DHS - Southeast HSC	26,145,474	26,206,795	(124,684)	26,082,111	26,120,436	(38,325)
DHS - South Central HSC	14,741,738	14,781,265	(88,297)	14,692,968	14,717,673	(24,705)
DHS - West Central HSC	20,768,172	20,813,941	(112,677)	20,701,264	20,729,869	(28,605)
DHS - Badlands HSC	<u>9,848,996</u>	<u>9,863,050</u>	<u>(56,889)</u>	<u>9,806,161</u>	<u>9,814,944</u>	<u>(8,783)</u>
Total all funds	\$127,918,652	\$128,212,884	(\$689,660)	\$127,523,224	\$127,707,116	(\$183,892)
FTE	838.73	838.73	0.00	838.73	838.73	0.00

<sup>1</sup> Funding for the human service centers provided from the general fund is reduced as follows (the House also made these reductions):

HUMAN SERVICE CENTER	GENERAL FUND
Northwest	(\$54,640)
North Central	(111,200)
Lake Region	(67,760)
Northeast	(123,600)
Southeast	(147,680)
South Central	(103,120)
West Central	(129,840)
Badlands	<u>(62,160)</u>
Total	(\$800,000)

Funding is added for the human service centers as listed below to provide a 4 percent inflationary increase for human service center contract service providers for the first year of the biennium and a 5 percent for the second year. The Senate provided a 4 percent annual increase and the House provided a 5 percent annual increase.

HUMAN SERVICE CENTER	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest	\$7,641		\$7,641
North Central	17,090		17,090
Lake Region	11,158		11,158
Northeast	12,636	\$1,562	14,198
Southeast	22,996		22,996
South Central	10,970	3,853	14,823
West Central	10,985	6,178	17,163
Badlands	<u>5,218</u>	<u>53</u>	<u>5,271</u>
Total	\$98,694	\$11,646	\$110,340

Other changes to Senate Bill No. 2012:

Section 4 of the engrossed bill is changed to remove authority for the department to hire additional FTE positions without Emergency Commission approval. The House also made this change.

Section 7 of the engrossed bill is changed to remove specific reference to the Robinson Recovery Center. The House also made this change.

Section 10 of the engrossed bill added by the Senate providing for a Legislative Council study of the use of local property tax revenues to finance the delivery of human services is removed. The House also removed this section.

Sections added by the Senate changing the statutory name of qualified service providers to home service providers beginning July 2008 are removed. The House also removed these sections.

Sections are added which:

- Identify one-time funding included in the budget and provide for a report to the 2009 Legislative Assembly on the agency's use of the one-time funding. The House also added a similar section.
- Remove the requirement that entities contracting to provide guardianship services to vulnerable adults maintain a system of volunteer guardians. The House also removed this requirement.
- Provide for a Legislative Council study of infant development services and funding. The House also provided for this study.
- Provide for a Legislative Council study of nursing home equalization of rates and provider taxes/assessments on nursing homes. The House also provided for this study.
- Provide legislative intent that developmental disabilities service providers give priority to using the increased funding being provided for the 2007-09 biennium for increasing their employees' salaries. The House also added this section.
- Provide a priority for use by the department of any anticipated unspent general fund appropriation authority of the department for the 2007-09 biennium.
- Provide that the department implement a cost-based reimbursement system for critical access hospitals for the 2007-09 biennium.

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

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

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

#### **REQUEST**

**SEN. MATHERN REQUESTED** a verification vote on the motion to adopt the conference committee report on Engrossed SB 2012, which request was granted.

The conference committee report on Engrossed SB 2012 failed on a verification vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1466:** Your conference committee (Sens. Nething, Erbele, Marcellais and Reps. Koppelman, Kretschmar, Onstad) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1466-1467, adopt amendments as follows, and place HB 1466 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1466 and 1467 of the House Journal and page 1288 of the Senate Journal and that House Bill No. 1466 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 12.1-31 of the North Dakota Century Code, relating to the prohibition of the performance of abortions; to provide a penalty; and to provide an effective date.

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

**SECTION 1.** A new section to chapter 12.1-31 of the North Dakota Century Code is created and enacted as follows:

**Abortion - Affirmative defenses.**

1. As used in this section:
  - a. "Abortion" means the use or prescription of any substance, device, instrument, medicine, or drug to intentionally terminate the pregnancy of an individual known to be pregnant. The term does not include an act made with the intent to increase the probability of a live birth; preserve the life or health of a child after live birth; or remove a dead, unborn child who died as a result of a spontaneous miscarriage, an accidental trauma, or a criminal assault upon the pregnant female or her unborn child.
  - b. "Physician" means an individual licensed to practice medicine under chapter 43-17.
  - c. "Professional judgment" means a medical judgment that would be made by a reasonably prudent physician who is knowledgeable about the case and the treatment possibilities with respect to the medical conditions involved.
2. It is a class C felony for a person, other than the pregnant female upon whom the abortion was performed, to perform an abortion.
3. The following are affirmative defenses under this section:
  - a. That the abortion was necessary in professional judgment and was intended to prevent the death of the pregnant female.
  - b. That the abortion was to terminate a pregnancy that resulted from gross sexual imposition, sexual imposition, sexual abuse of a ward, or incest, as those offenses are defined in chapter 12.1-20.
  - c. That the individual was acting within the scope of that individual's regulated profession and under the direction of or at the direction of a physician.

**SECTION 2. EFFECTIVE DATE.** This Act becomes effective on the date the legislative council approves by motion the recommendation of the attorney general to the legislative council that it is reasonably probable that this Act would be upheld as constitutional."

Renumber accordingly

HB 1466 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ERBELE MOVED** that the conference committee report on HB 1466 be adopted.

**MOTION**

**SEN. NELSON MOVED** that pursuant to Senate Rule 312 and Joint Rule 301, the conference committee report on HB 1466 be laid on the table.

**REQUEST**

**SEN. DEVER REQUESTED** a recorded roll call vote on the motion that the conference committee report on HB 1466 be laid on the table.

**REQUEST**

**SEN. POTTER REQUESTED** a show of members in favor of a recorded roll call vote, pursuant to Senate Rule 320, which request was granted.

**RULING BY THE PRESIDENT**

**PRESIDENT DALRYMPLE RULED** that pursuant to Senate Rule 320 a recorded roll call vote was in order.

**ROLL CALL**

The question being on the motion that the conference committee report on HB 1466 be laid on the table, the roll was called and there were 18 YEAS, 27 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bakke; Fiebiger; Grindberg; Hacker; Holmberg; Horne; Krebsbach; Lee, J.; Lindaas; Marcellais; Nelson; Pomeroy; Potter; Seymour; Taylor; Triplett; Warner

**NAYS:** Anderson; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Heckaman; Heitkamp; Kilzer; Klein; Krauter; Lee, G.; Lyson; Mathern; Nething; O'Connell; Oehlke; Olafson; Robinson; Stenehjerm; Tollefson; Urlacher; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Behm; Tallackson

The motion that the conference committee report on HB 1466 be laid on the table failed.

**POINT OF ORDER**

**SEN NETHING CALLED** for a point of order and requested that the President recite from Mason's Manual of Legislative Procedure Section 124-1, which request was granted.

**PRESIDENT DALRYMPLE RECITED** the following from Mason's Manual:

"It is not the person but the measure that is the subject of debate, and it is not allowable to arraign the motives of a member, but the nature or consequences of a measure may be condemned in strong terms."

**REQUEST**

**SEN. ERBELE REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on HB 1466, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the conference committee report on HB 1466, the roll was called and there were 28 YEAS, 17 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Heckaman; Heitkamp; Kilzer; Klein; Krauter; Lee, G.; Lyson; Marcellais; Mathern; Nething; O'Connell; Oehlke; Olafson; Robinson; Stenehjerm; Tollefson; Urlacher; Wanzek; Wardner

**NAYS:** Anderson; Bakke; Fiebiger; Grindberg; Hacker; Holmberg; Horne; Krebsbach; Lee, J.; Lindaas; Nelson; Pomeroy; Potter; Seymour; Taylor; Triplett; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

The conference committee report on HB 1466 was adopted.

**SECOND READING OF HOUSE BILL**

**HB 1466:** A BILL for an Act to create and enact a new section to chapter 12.1-31 of the North Dakota Century Code, relating to the prohibition of the performance of abortions; to provide a penalty; 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 29 YEAS, 16 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Heckaman; Kilzer; Klein; Krauter; Lee, G.; Lindaas; Lyson; Marcellais; Mathern; Nething; O'Connell; Oehlke; Olafson; Robinson; Stenehjelm; Taylor; Tollefson; Urlacher; Wanzek; Wardner

**NAYS:** Anderson; Bakke; Fiebiger; Grindberg; Hacker; Heitkamp; Holmberg; Horne; Krebsbach; Lee, J.; Nelson; Pomeroy; Potter; Seymour; Triplett; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

HB 1466, as amended, passed and the title was agreed to.

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**MOTION**

**SEN. CHRISTMANN MOVED** that all conference committees that had committee members changed on Saturday or Sunday revert back to the members which were listed on Friday, which motion prevailed.

**MOTION**

**SEN. CHRISTMANN MOVED** that Sen. O'Connell replace Sen. Tallackson on the Senate conference committee on Engrossed HB 1012, 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: SB 2032.

**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 1466.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1016, HB 1019, HB 1021, HB 1093, HB 1460.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2012.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: HB 1233.

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

**MR. SPEAKER:** The President has appointed Sen. O'Connell to replace Sen. Tallackson on the Conference Committee on HB 1012.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2005, SB 2008, SB 2009, SB 2016, SB 2017, SB 2019, SB 2256, SB 2288, SB 2309.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2002, SB 2004, SB 2010, SB 2011, SB 2022.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed: SB 2392.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: SB 2046, SB 2180, SB 2352, SCR 4038, SCR 4039.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 5:30 p.m., which motion prevailed.

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

**REPORT OF CONFERENCE COMMITTEE**

**HB 1460, as engrossed:** Your conference committee (Sens. Klein, Hacker, Potter and Reps. N. Johnson, Keiser, Boe) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1465-1466, adopt amendments as follows, and place HB 1460 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1465 and 1466 of the House Journal and on pages 1283 and 1284 of the Senate Journal and that Engrossed House Bill No. 1460 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to"

Page 1, line 2, after the semicolon insert "to provide for a legislative council study; and"

Page 1, line 3, remove "; to provide an effective date; and to provide an expiration date"

Page 1, remove lines 5 through 23

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 19

Page 3, line 26, overstrike ", at least one of which must be a participant in"

Page 3, line 27, overstrike "the risk management program, at least two" and insert immediately thereafter ". Two" and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 28, after "premiums" insert ", which at the time of the member's initial appointment were" and overstrike ", at least" and insert immediately thereafter an underscored semicolon

Page 3, line 29, overstrike "which" and insert immediately thereafter "the employer members" and overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was at least"

Page 3, line 30, overstrike ", at least" and insert immediately thereafter an underscored semicolon and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 31, overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was", overstrike the comma and insert immediately thereafter an underscored semicolon, and overstrike "at"

Page 4, line 1, overstrike "least one" and insert immediately thereafter "two of the employer members must be" and overstrike "representative" and insert immediately thereafter "representatives"

Page 4, line 2, overstrike the first "representative" and insert immediately thereafter "representatives"

Page 4, line 4, overstrike "; at least one member must have"

Page 4, line 5, overstrike "received workforce safety and insurance benefits; and at least" and insert immediately thereafter ". Of the three employee members,"

Page 4, line 6, after "labor" insert "and one other member must have received workforce safety and insurance wage-loss benefits at some time during the ten years before the member's initial appointment"

Page 4, line 15, overstrike "Board members" and insert immediately thereafter "A board member whose initial appointment was before August 1, 2007,"

Page 4, line 16, remove the overstrike over "~~three~~" and insert immediately thereafter "consecutive terms and a board member whose initial appointment was after July 31, 2007, may not serve more than"

Page 4, line 22, overstrike "the"

Page 4, line 25, replace "greater North Dakota chamber of commerce" with "a coordinating committee appointed by the governor, composed of representatives from the associated general contractors of North Dakota, the North Dakota petroleum council, the greater North Dakota chamber of commerce, the North Dakota motor carriers association, the North Dakota healthcare association, the national federation of independent business, the lignite energy council, and other statewide business interests"

Page 4, line 26, remove "working together with other business organizations in the state"

Page 5, line 1, remove "two"

Page 5, line 2, overstrike "nonorganized labor" and insert immediately thereafter "two"

Page 5, line 3, after "representatives" insert "who do not represent organized labor"

Page 5, after line 7, insert:

"e. The governor may reject a list of potential candidates representing employers, organized labor, or the North Dakota medical association and request that the submitting entity submit a new list of potential candidates."

"**SECTION 2.** A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

**Spending authority - Limited.** Notwithstanding any other law enacted by the sixtieth legislative assembly, any statement of legislative intent, any statement of purpose of amendment, or other provision of law, the organization may not expend funds for the purpose of providing workers' compensation education or training for public officials other than the director and members of the board, or for providing awards, other than service awards or other awards or incentives allowed under law and applicable to executive branch agencies. For purposes of this section, award does not include a nonwage, cash disbursement to an organization employee through a performance-based system for employee recognition."

Page 5, line 11, replace "Under section 1 of this Act, a board" with "The board member serving on August 1, 2007, as the representative of the risk management program shall serve the remainder of the appointed term as the employer at-large representative. The employee board member serving on August 1, 2007, as the employee who has received workforce safety and insurance benefits shall continue to serve through the expiration of the member's appointed term, regardless of the member's wage-loss benefit history."

**SECTION 4. WORKFORCE SAFETY AND INSURANCE - LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying, during the 2007-08 interim, the workforce safety and insurance governance changes made during the 2007 legislative session. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 5, remove lines 12 through 18

Renumber accordingly

Engrossed HB 1460 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. KLEIN MOVED** that the conference committee report on Engrossed HB 1460 be adopted.

#### **REQUEST**

**SEN. NETHING REQUESTED** a verification vote on the motion to adopt the conference committee report on Engrossed HB 1460, which request was granted.

The motion to adopt the conference committee report on Engrossed HB 1460 failed on a verification vote.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1311, as engrossed:** Your conference committee (Sens. Lyson, Freborg, Triplett and Reps. Porter, DeKrey, Hanson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1437, adopt amendments as follows, and place HB 1311 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1437 and 1438 of the House Journal and page 1248 of the Senate Journal and that Engrossed House Bill No. 1311 be amended as follows:

Page 1, line 2, remove "the age requirement for" and after "season" insert "; to provide for a game and fish department study; and to provide for a report to the legislative council"

Page 1, line 12, overstrike "ages", overstrike "sixteen", remove "and under", and overstrike "on the Saturday and"

Page 1, line 13, overstrike "Sunday preceding the opening of the regular pheasant season" and remove "If a youth's seventeenth"

Page 1, remove lines 14 and 15

Page 1, after line 20, insert:

**"SECTION 2. GAME AND FISH DEPARTMENT STUDY - HUNTER SAFETY EDUCATION REQUIREMENTS - REPORT.** The game and fish department shall study, during the 2007-08 interim, hunter safety education requirements and hunter safety for all ages of hunters. The game and fish department shall report its findings and recommendations to the legislative council by July 1, 2008."

ReNUMBER accordingly

Engrossed HB 1311 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. LYSON MOVED** that the conference committee report on Engrossed HB 1311 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1311, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1311:** A BILL for an Act to amend and reenact section 20.1-04-15 of the North Dakota Century Code, relating to the youth pheasant hunting season; to provide for a game and fish department study; and to provide for a report to the legislative council.

**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, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebigler; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Engrossed HB 1311, as amended, passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1016, as engrossed:** Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reps. Klein, Wald, Gullerson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1391-1393, adopt amendments as follows, and place HB 1016 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1391-1393 of the House Journal and pages 951-953 of the Senate Journal and that Engrossed House Bill No. 1016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; and to amend and reenact section 52-02.1-02 of the North Dakota Century Code, relating to job service North Dakota program services"

Page 1, line 22, replace "173,568" with "(126,432)"

Page 2, line 1, replace "9,651" with "19,769"

Page 2, line 4, replace "3,957,787" with "3,667,905"

Page 2, line 5, replace "3,321,832" with "3,421,832"

Page 2, line 6, replace "635,955" with "246,073"

Page 2, line 13, replace "13,452,481" with "13,152,481"

Page 2, line 16, replace "1,489,882" with "1,500,000"

Page 2, line 18, replace "63,729,058" with "63,439,176"

Page 2, line 19, replace "61,592,091" with "61,692,091"

Page 2, line 20, replace "2,136,967" with "1,747,085"

Page 3, after line 3, insert:

**"SECTION 7. AMENDMENT.** Section 52-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**52-02.1-02. Job service North Dakota - Agreements.** Program services developed and coordinated by job service North Dakota must be provided to primary sector businesses found eligible for loans or grants under this chapter. Job service North Dakota may enter into an agreement to establish a project with an employer which meets the following conditions:

1. Sets a date of commencement of the project.
2. Identifies program costs, including deferred costs, which are to be paid from available sources including new jobs credit from withholding to be received or derived from new jobs resulting from the project.
3. Provides for a guarantee by the employer of payment for program costs.
4. Provides that any deferral of program cost payments may not exceed ten years from the date of commencement of the project.
5. Provides that on-the-job training costs for employees may not exceed fifty percent of the annual gross payroll costs of the new jobs in the first full year after the date of commencement of the project. For purposes of this subsection, "gross payroll" is the gross wages and salaries for the new jobs.
6. Provides the maximum amount of new jobs credit from withholding or tuition and fee payments allowed for a project.
7. Provides that every employee participating in the new jobs training program must be paid an income of at least ~~seven ten dollars and fifty cents~~ per hour, plus benefits, by the end of the first year of employment under the project and for the remaining life of the loan.

A project requiring a loan from the department or a community may not be approved, and an agreement may not be executed by job service North Dakota, until notification from the department or community that the employer has qualified for a loan. Upon execution of the agreement, job service North Dakota shall notify the state tax commissioner of the agreement and the identity of the employer. Job service North Dakota may adopt rules to implement this chapter. Job service North Dakota shall prepare an annual report for the governor and the legislative assembly with respect to the new jobs training program."

ReNUMBER accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1016 - Job Service North Dakota - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$33,028,475	\$33,028,475		\$33,028,475	\$33,028,475	
Operating expenses	12,852,481	13,452,481	(\$300,000)	13,152,481	12,852,481	\$300,000
Capital assets	20,000	20,000		20,000	20,000	
Grants	8,438,220	8,438,220		8,438,220	8,438,220	
Workforce 20/20	1,489,882	1,489,882	10,118	1,500,000	1,489,882	10,118
Reed Act - Unemployment insurance computer	7,300,000	7,300,000		7,300,000	7,300,000	
Total all funds	\$63,129,058	\$63,729,058	(\$289,882)	\$63,439,176	\$63,129,058	\$310,118
Less estimated income	<u>61,592,091</u>	<u>61,592,091</u>	<u>100,000</u>	<u>61,692,091</u>	<u>61,592,091</u>	<u>100,000</u>
General fund	\$1,536,967	\$2,136,967	(\$389,882)	\$1,747,085	\$1,536,967	\$210,118
FTE	308.00	308.00	0.00	308.00	308.00	0.00

## Dept. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	REDUCES FUNDING FOR WEB SITE SPIDER PROGRAM <sup>1</sup>	INCREASES FUNDING FOR WORKFORCE 20/20 <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses	(\$300,000)		(\$300,000)
Capital assets			
Grants			
Workforce 20/20		\$10,118	10,118
Reed Act - Unemployment insurance computer			
Total all funds	(\$300,000)	\$10,118	(\$289,882)
Less estimated income	<u>100,000</u>		<u>100,000</u>
General fund	(\$400,000)	\$10,118	(\$389,882)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for the web site spider program from \$600,000 from the general fund, as provided for by the House, to \$300,000, of which \$200,000 is from the general fund and \$100,000 is from special funds. The Senate removed all funding for the web site spider program.

<sup>2</sup> This amendment increases funding for the Workforce 20/20 program by \$10,118 from the general fund, from \$1,489,882 to \$1,500,000.

This amendment also amends North Dakota Century Code Section 52-02.1-02 to increase the wage eligibility rate for the new jobs training program from \$7.50 to \$10 per hour, the same as the Senate version.

Engrossed HB 1016 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 1016 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 job service North Dakota; and to amend and reenact section 52-02.1-02 of the North Dakota Century Code, relating to job service North Dakota program services.

## 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, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebigler; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjerm; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

Engrossed HB 1016, as amended, passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1019, as engrossed:** Your conference committee (Sens. Christmann, Grindberg, Mathern and Reps. Monson, Carlson, Gulleson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1404-1406, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1404-1406 of the House Journal and pages 976-978 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; and to provide legislative intent"

Page 1, line 23, replace "(175,958)" with "(175,958)"

Page 1, after line 23, insert:  
"Workforce training

1,650,000"

Page 1, line 24, replace "2,988,825" with "4,638,825"

Page 2, line 2, replace "3,244,307" with "4,894,307"

Page 2, line 13, replace "1,350,000" with "3,000,000"

Page 2, line 15, replace "31,120,808" with "32,770,808"

Page 2, line 17, replace "20,085,093" with "21,735,093"

Page 2, line 29, replace "area" with "cooperative delivery efforts of", replace "technology centers" with "technical education programs", and replace "The board" with:

**"SECTION 5. WORKFORCE TRAINING GRANTS.** The workforce training line item in section 3 of this Act includes the sum of \$1,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 6.** A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

**North Dakota elementary student entrepreneurship program.** There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

**SECTION 7. AMENDMENT.** Section 43-18-24 of the North Dakota Century Code as amended in section 2 of Senate Bill No. 2060, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

**43-18-24. Violation of chapter - Penalty.** Any person that violates the state plumbing code adopted under section 43-18-09; violates section 43-18-10, 43-18-11, 43-18-11.4, 43-18-17.2, or 43-18-23; or works under the license of another person in a manner that is in violation of section 43-18-13 is guilty of a class B misdemeanor.

**SECTION 8.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Workforce enhancement council.** The workforce enhancement council consists of the private sector members of the workforce development council, the director of the department of career and technical education, and the director of the division of workforce development, who shall serve as chairman.

**SECTION 9.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Workforce enhancement council - Grants.** The workforce enhancement council shall recommend to the commissioner the approval of grants to institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

**SECTION 10.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Workforce enhancement fund - Continuing appropriation.** The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering sections 7 and 8 of this Act. Interest earned by the fund must be credited to the fund.

**SECTION 11. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer \$2,000,000 from the general fund to the workforce enhancement fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 12. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Page 2, remove line 30

Page 3, remove lines 1 and 2

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1019 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Board for Career and Technical Education						
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)

Bill Total

Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808	\$34,770,808	\$0
Less estimated income	<u>11,035,715</u>	<u>11,035,715</u>		<u>11,035,715</u>	<u>11,035,715</u>	
General fund	\$19,285,093	\$20,085,093	<u>\$3,650,000</u>	\$23,735,093	\$23,735,093	<u>\$0</u>

**House Bill No. 1019 - Office of Management and Budget - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to workforce enhancement fund			\$2,000,000	\$2,000,000		\$2,000,000
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes**

	TRANSFER TO WORKFORCE ENHANCEMENT FUND <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to workforce enhancement fund	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income		
General fund	\$2,000,000	\$2,000,000
FTE	0.00	0.00

<sup>1</sup> This amendment transfers \$2,000,000 from the general fund to the workforce enhancement fund.

**House Bill No. 1019 - Board for Career and Technical Education - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832	\$3,576,832	
Operating expenses	986,606	986,606		986,606	986,606	
Grants	23,500,116	24,300,116		24,300,116	25,300,116	(\$1,000,000)
Adult farm management	549,802	549,802		549,802	549,802	
Workforce training	1,350,000	1,350,000	\$1,650,000	3,000,000	4,000,000	(1,000,000)
Postsecondary education vocational grant	357,452	357,452		357,452	357,452	
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	<u>11,035,715</u>	<u>11,035,715</u>		<u>11,035,715</u>	<u>11,035,715</u>	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
FTE	27.50	27.50	0.00	27.50	27.50	0.00

**Dept. 270 - Board for Career and Technical Education - Detail of Conference Committee Changes**

	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Adult farm management		
Workforce training	\$1,650,000	\$1,650,000
Postsecondary education vocational grant		
Total all funds	\$1,650,000	\$1,650,000
Less estimated income		
General fund	\$1,650,000	\$1,650,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added providing workforce training grants to institutions of higher education.

A section is added providing for an elementary student entrepreneurship program.

Sections are added to provide new sections to North Dakota Century Code Chapter 54-60 relating to the creation of a work enhancement council, grants provided by the council, and to create a workforce enhancement fund, from which the Department of Commerce will receive a continuing appropriation.

A section is added providing legislative intent that \$250,000 from the grants line item be used to support the elementary entrepreneurship program.

Engrossed HB 1019 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 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 state board for career and technical education; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; and to provide legislative intent.

#### 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, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebigger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjerm; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm; Tallackson

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

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1093, as engrossed:** Your conference committee (Sens. Wardner, Christmann, O'Connell and Reps. Weiler, Grande, Pinkerton) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1068, adopt amendments as follows, and place HB 1093 on the Seventh order:

That the Senate recede from its amendments as printed on page 1068 of the House Journal and page 853 of the Senate Journal and that Engrossed House Bill No. 1093 be amended as follows:

Page 1, line 3, after "fund" insert "; to provide legislative intent"

Page 1, line 15, replace "two" with "three"

Page 1, after line 19, insert:

**"SECTION 2. LEGISLATIVE INTENT - LIGNITE LITIGATION.** It is the intent of the legislative assembly that \$500,000 of the amount allocated to the lignite research fund in section 1 of this Act is to be used to pay for fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources. If activities associated with the litigation are not initiated by January 1, 2009, the \$500,000 must be returned to the general fund."

ReNUMBER accordingly

Engrossed HB 1093 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. WARDNER MOVED** that the conference committee report on Engrossed HB 1093 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1093, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1093:** A BILL for an Act to amend and reenact subsection 1 of section 57-60-14 of the North Dakota Century Code, relating to allocation of the privilege tax on coal conversion facilities to the lignite research fund; to provide legislative intent; 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 40 YEAS, 5 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Nelson; Nething; O'Connell; Oehlke; Olafson; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Triplett; Wanzek; Wardner; Warner

**NAYS:** Fiebiger; Mathern; Pomeroy; Potter; Urlacher

**ABSENT AND NOT VOTING:** Behm; Tallackson

Engrossed HB 1093, as amended, passed and the title was agreed to.

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**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 1016, HB 1019, HB 1093, HB 1311.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: HB 1460.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has passed unchanged: SCR 4037.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1001, HB 1233.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2200.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1002, HB 1005, HB 1006, HB 1007, HB 1011, HB 1106, HB 1126, HB 1433.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 8:00 p.m., which motion prevailed.

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

**REPORT OF CONFERENCE COMMITTEE**

**SB 2260:** Your conference committee (Sens. Lyson, Grindberg, Fiebiger and Reps. Klemin, Wieland, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1078-1080, adopt amendments as follows, and place SB 2260 on the Seventh order:

That the House recede from its amendments as printed on pages 1078-1080 of the Senate Journal and pages 1226-1228 of the House Journal and that Senate Bill No. 2260 be amended as follows:

- Page 1, line 3, remove "a new subsection to section 43-28-06,"
- Page 1, line 5, after the third comma insert "15.1-06-06,"
- Page 1, line 8, after "checks" insert "; to provide for a correctional facility review committee"
- Page 3, line 6, overstrike "The agencies", remove ", officials.", and overstrike "and entities named in subsection 2 shall require each" and insert immediately thereafter "Each"
- Page 3, line 7, remove "or name change" and overstrike the first "to" and insert immediately thereafter "or name change who is subject to a criminal history record check under subsection 2 shall"
- Page 4, line 6, overstrike "each" and insert immediately thereafter "a final"
- Page 4, line 18, after "The" insert "department of", overstrike "department", and overstrike "section"
- Page 4, line 19, overstrike "50-11-06.8" and insert immediately thereafter "chapter 50-11" and overstrike "section 50-11.3-01" and insert immediately thereafter "chapter 50-11.3"
- Page 4, line 20, overstrike "section 50-12-03.2" and insert immediately thereafter "chapter 50-12"
- Page 4, line 22, overstrike "sections" and insert immediately thereafter "chapters" and replace "section" with "chapter"
- Page 4, line 23, replace "50-11-06.8" with "50-11", replace "50-11.3-01" with "50-11.3", and replace "50-12-03.2" with "50-12"
- Page 4, line 25, replace "sections" with "chapters"
- Page 4, line 26, after "The" insert "department of" and overstrike "department"
- Page 5, line 15, overstrike "each" and insert immediately thereafter "a final"
- Page 5, line 17, overstrike "each" and insert immediately thereafter "a final"
- Page 5, line 19, overstrike "employees assigned duties related to"
- Page 5, line 20, overstrike "bioterrorism and homeland security issues" and insert immediately thereafter "a final applicant for or an employee in a specified occupation with the department"
- Page 5, line 21, overstrike "a nurse aide seeking to have a finding of neglect removed from the"
- Page 5, line 22, overstrike "nurse aide registry; or" and overstrike "state"
- Page 5, line 23, overstrike "of health who holds a license, certificate, or registration in a"
- Page 5, line 24, overstrike "health-related field" and insert immediately thereafter "; or, when requested by the department, an applicant for registration, certification, or licensure by the department"
- Page 5, remove lines 25 through 28
- Page 5, line 29, replace "p." with "o."
- Page 6, line 1, replace "q." with "p."
- Page 6, line 5, replace "r." with "q."
- Page 6, line 8, replace "s." with "r."
- Page 6, line 11, replace "t." with "s."
- Page 6, line 12, after "or" insert "final"
- Page 6, line 15, replace "u." with "t."

Page 6, line 17, replace "v." with "u.", replace the first underscored comma with "and", and remove the second underscored comma

Page 6, line 18, replace "applicants" with "a final applicant"

Page 6, line 19, after "or" insert "a final"

Page 6, line 22, replace "w." with "v."

Page 6, line 23, replace "all agents, employees," with "each agent and employee" and replace "applicants" with "a final applicant"

Page 6, line 24, replace "have" with "has"

Page 6, line 25, replace "exercise" with "exercises"

Page 6, line 26, after "or" insert "a final"

Page 6, line 30, replace "x." with "w." and replace "each" with "a final"

Page 7, line 3, replace "y." with "x.", after "The" insert "governing", after "a" insert "public", replace "district" with "or, for a nonpublic school, the superintendent of public instruction,", and replace "or individuals seeking" with "designated by the governing board or nonpublic school. The governing board or the nonpublic school is"

Page 7, remove lines 4 through 7

Page 7, line 8, remove "individuals must be" and remove the second "for"

Page 7, after line 9, insert:

y. The governing board of a public school or, for a nonpublic school, the superintendent of public instruction, for a final applicant for seeking employment with the school or otherwise providing services to the school, if that individual has unsupervised contact with the students. For purposes of this subdivision, "unsupervised contact" with students means being in proximity to one or more students, on school grounds or at school functions, outside the presence of an individual who has been subject to a criminal background check. The governing board or the nonpublic school is responsible for paying the costs associated with obtaining a background check.

Page 7, after line 13, insert:

**SECTION 5. AMENDMENT.** Section 15.1-06-06 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-06. Approval of public and nonpublic schools.** Each public and nonpublic school in this state offering elementary or secondary education to students must be approved by the superintendent of public instruction. Except as otherwise provided by law, the superintendent may not approve a school unless:

1. Each classroom teacher is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board;
2. Each classroom teacher is teaching only in those course areas or fields for which the teacher is licensed or for which the teacher has received an exception under section 15.1-09-57;
3. The students are offered all subjects required by law; ~~and~~
4. The school is in compliance with all local and state health, fire, and safety laws; and
5. The school has conducted all criminal history record checks required by section 12-60-24.

Page 11, remove lines 1 through 13

Page 19, after line 4, insert:

**"SECTION 21. CORRECTIONAL FACILITY REVIEW COMMITTEE - MEMBERSHIP - DUTIES - RECOMMENDATIONS.**

1. During the 2007-08 interim, the legislative council shall appoint a correctional facility review committee. The membership of the committee must include six members of the legislative assembly selected by the legislative council. The membership of the committee must include:
  - a. Three members of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and
  - b. Three members of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate.
2. The legislative council chairman shall designate the committee chairman and vice chairman.
3. The committee shall operate according to the statutes and procedures governing the operation of other legislative council interim committees.
4. The committee shall engage consultant and architectural services, subject to legislative council approval, for the development of the following three correctional facility concepts:
  - a. The construction of a new correctional facility on the existing state penitentiary site;
  - b. The construction of a new correctional facility at a site other than the state penitentiary site; and
  - c. The remodeling of the existing state penitentiary facility.
5. Each of the three correctional facility concepts developed by the consultant and architect must:
  - a. Include a master plan, staffing plan, and a cost-benefit analysis;
  - b. Be based upon housing a population of between nine hundred and one thousand inmates;
  - c. Include options for expansion;
  - d. Take into consideration the transfer of the inmates at the Missouri River correctional center to the new or remodeled facility; and
  - e. Take into consideration the facility and staffing needs of the James River correctional center.
6. In developing the concepts, the committee shall seek the input of the department of corrections and rehabilitation.
7. Before June 1, 2008, the committee shall select one of the three concepts and recommend the selected concept to the legislative council.
8. The legislative council shall consider the recommendation and approve or reject the recommendation. If approved, the legislative council shall forward the recommendation to the governor. The governor may:
  - a. Accept the recommendation and submit the recommendation to the emergency commission and the budget section of the legislative council for approval;
  - b. Call a special session of the legislative assembly to address the correctional facility issue; or

- c. Defer any further action on the issue to the sixty-first legislative assembly.
9. Notwithstanding North Dakota Century Code section 54-23.3-04, the director of the department of corrections and rehabilitation may not advertise for bids or issue a request for qualifications for a construction manager for construction of a new correctional facility or remodeling of the existing state penitentiary until the recommendation is accepted by the governor and approved by the emergency commission and the budget section."

Page 19, line 5, remove "and" and after "18" insert ", and 21"

Renumber accordingly

SB 2260 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. LYSON MOVED** that the conference committee report on SB 2260 be adopted.

#### REQUEST

**SEN. GRINDBERG REQUESTED** a verification call vote on the motion to adopt the conference committee report on SB 2260, which request was granted.

#### REQUEST

**SEN. HEITKAMP REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on SB 2260, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the conference committee report on SB 2260, the roll was called and there were 23 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Klein; Krebsbach; Lee, G.; Lee, J.; Lyson; Nething; Olafson; Stenehjem; Tollefson; Urlacher; Wanzek; Wardner

**NAYS:** Anderson; Andrist; Bakke; Fiebiger; Heckaman; Heitkamp; Horne; Kilzer; Krauter; Lindaas; Marcellais; Mathern; Nelson; O'Connell; Oehlke; Pomeroy; Potter; Robinson; Seymour; Tallackson; Taylor; Triplett; Warner

**ABSENT AND NOT VOTING:** Behm

The conference committee report on SB 2260 was rejected.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1233, as engrossed:** Your conference committee (Sens. Tollefson, Oehlke, Anderson and Reps. Brandenburg, Headland, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1154-1155, adopt amendments as follows, and place HB 1233 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1154 and 1155 of the House Journal and page 1023 of the Senate Journal and that Engrossed House Bill No. 1233 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation tax credit; and to provide an effective date.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 57-38-01.8 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-01.8. Income tax credit for installation of geothermal, solar, or wind energy devices.**

1. Any taxpayer filing a North Dakota income tax return pursuant to the provisions of this chapter may claim a credit for the cost of a geothermal, solar, or wind energy device installed before January 1, 2011, in a building or on property owned or leased by the taxpayer in North Dakota. The credit provided in this section for a device installed before January 1, 2001, must be in an amount equal to five percent per year for three years, and for a device installed after December 31, 2000, must be in an amount equal to three percent per year for five years of the actual cost of acquisition and installation of the geothermal, solar, or wind energy device and must be subtracted from any income tax liability of the taxpayer as determined pursuant to the provisions of this chapter.
2. For the purposes of this section:
  - a. "Geothermal energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam.
  - b. "Solar or wind energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by a method which converts the natural energy of the sun or wind.
3. If a geothermal, solar, or wind energy device is a part of a system which uses other means of energy, only that portion of the total system directly attributable to the cost of the geothermal, solar, or wind energy device may be included in determining the amount of the credit. The costs of installation may not include costs of redesigning, remodeling, or otherwise altering the structure of a building in which a geothermal, solar, or wind energy device is installed.
4. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity that installs a geothermal, solar, or wind energy device in a building or on property owned or leased by the passthrough entity must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
5. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all of the corporations included in the North Dakota consolidated return.
6. The credit allowed under this section may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be used as a credit carryover to each of the five succeeding taxable years.
7. All or part of the unused credit allowed under this section may be sold, assigned, or otherwise transferred by the taxpayer to the purchaser of the power generated by the device as part of the consideration in a power purchase agreement, or to any North Dakota taxpayer that constructs or expands an electricity transmission line in North Dakota after August 1, 2007. The taxpayer receiving the assignment of the credit is entitled to claim the credit against that taxpayer's tax liability under this chapter beginning with the tax year in which the power purchase agreement or the tax credit purchase agreement was fully executed by the parties and the geothermal, solar, or wind energy device is installed. If the credit is transferred to an entity that constructs or expands transmission lines, the amount of credit claimed by that entity in any taxable year may not exceed the actual cost of acquisition and installation of the transmission lines constructed in North Dakota for that taxable year.

- a. A purchaser of the tax credit must claim the credit beginning with the tax year in which the purchase agreement is fully executed by the parties and the geothermal, solar, or wind energy device is installed. A purchaser of a tax credit under this section has only the right to claim and use the credit under the terms that would have applied to the tax credit transferor, except that in the case of a credit that is sold, assigned, or otherwise transferred by the taxpayer to the tax credit transferor, the credit allowed under this section may not exceed sixty percent of the liability for tax of the tax credit purchaser under this chapter. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
- b. The tax credit transferor may sell the credit to only one tax credit purchaser each taxable year. The tax credit purchaser may not sell, assign, or otherwise transfer the credit purchased under the purchase agreement.
- c. If the taxpayer elects to sell, assign, or otherwise transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser shall file jointly with the tax commissioner a copy of the purchase agreement affecting the tax credit transfer and a statement containing the name, address, and taxpayer identification number of any party to the transfer; the total installed cost of the qualifying geothermal, solar, or wind energy device; the amount of the credit being transferred; the gross proceeds received by the transferor; and the tax year for which the credit may be claimed. The purchase agreement must state clearly the purchase price associated with the tax credit sold. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and confidentiality waiver must be filed within thirty days after the date the purchase agreement is fully executed. The tax commissioner may audit the returns and assess or issue refunds, notwithstanding any other time limitation prescribed under law which may have expired for the purchaser.
- d. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40.
- e. The total amount of credits that can be sold by all taxpayers is limited to three million dollars each biennium. This limit applies on the basis of the date of installation of the geothermal, solar, or wind energy device.
- f. Gross proceeds received under the purchase agreement by the tax credit transferor for the sale, assignment, or transfer of the tax credit must be allocated to North Dakota. The amount assigned under this subsection may not be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
- g. Within four years after the date of the credit assignment, the tax commissioner may audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and, if necessary, assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
- h. The tax commissioner may adopt rules to permit verification of the validity, timeliness, and limitations on the sale of the tax credit transferred under this section.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for geothermal, solar, or wind energy devices installed after December 31, 2006."

Renumber accordingly

Engrossed HB 1233 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. TOLLEFSON MOVED** that the conference committee report on Engrossed HB 1233 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1233, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1233:** A BILL for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation 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 30 YEAS, 16 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Bakke; Bowman; Dever; Erbele; Fischer; Flakoll; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lyson; Nething; Oehlke; Olafson; Pomeroy; Potter; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner

**NAYS:** Christmann; Cook; Fiebiger; Freborg; Heckaman; Horne; Lindaas; Marcellais; Mathern; Nelson; O'Connell; Robinson; Seymour; Stenehjem; Tallackson; Warner

**ABSENT AND NOT VOTING:** Behm

Engrossed HB 1233, as amended, passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1001, as engrossed:** Your conference committee (Sens. Christmann, Holmberg, Seymour and Reps. Carlson, Carlisle, Williams) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1471-1473, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1471-1473 of the House Journal and pages 1289-1291 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, replace "create and enact a new section to chapter 54-03 and a new section to" with "provide for a legislative council review"

Page 1, remove lines 3 and 4

Page 1, line 5, remove "including legislative intent items" and after "transfers" insert "; to provide an exception; to amend and reenact subdivision c of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to legislative leaders' monthly compensation and interim legislative council pay; to provide an effective date"

Page 2, line 11, replace "606,404" with "770,940"

Page 2, line 12, replace "21,182" with "(19,342)"

Page 2, line 16, replace "4,540,893" with "4,664,904"

Page 2, line 18, replace "4,560,892" with "4,684,904"

Page 2, line 21, replace "702,547" with "603,058"

Page 2, line 22, replace "247,231" with "270,731"

Page 2, line 25, replace "790,778" with "714,789"

Page 2, line 26, replace "5,351,670" with "5,349,693"

Page 2, line 28, replace "5,331,670" with "5,379,693"

Page 3, line 6, replace "6,691,021" with "6,855,557"

Page 3, line 7, replace "3,038,955" with "2,998,431"

Page 3, line 11, replace "14,053,117" with "14,177,129"

Page 3, line 14, replace "5,907,752" with "5,808,263"

Page 3, line 15, replace "2,614,967" with "2,638,467"

Page 3, line 17, replace "8,579,719" with "8,503,730"

Page 3, line 18, replace "22,632,836" with "22,680,859"

Page 3, line 31, replace "\$4,310,827" with "\$4,260,827"

Page 4, line 7, replace "400,000" with "350,000"

Page 4, line 8, replace "4,310,827" with "4,260,827"

Page 4, replace lines 19 through 31 with:

**"SECTION 7. COMMITTEE ROOM RENOVATION FUNDING - EXPENDITURE DETERMINATION.** Any expenditure of funds relating to \$100,000 of the \$200,000 provided for committee room renovations in subdivision 1 of section 3 of this Act must be approved by a majority of the senate members of the legislative management committee. Any expenditures relating to the remaining \$100,000 for committee room renovations must be approved by a majority of the house of representatives members of the legislative management committee for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 8. LEGISLATIVE COUNCIL - REVIEW OF STAFF SERVICES - FUTURE STAFFING NEEDS.** The legislative council shall review legislative council staff services during the 2007-08 interim for the purpose of determining future legislative staffing needs. The review must include the appropriateness of the current organizational structure as it relates to future staffing needs and address the potential effect of the information technology applications system and pending retirements on staffing needs, succession planning, and knowledge transfer. Recommendations for staffing and organizational changes must be reflected in the legislative council's 2009-11 budget request.

**SECTION 9. AMENDMENT.** Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~forty~~ sixty dollars per month during the biennium for their execution of public duties.

**SECTION 10. AMENDMENT.** Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~sixty~~ seventy dollars per month during the biennium for their execution of public duties.

**SECTION 11. AMENDMENT.** Subsection 1 of section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

- The members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of one hundred thirty-five dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

**SECTION 12. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2007 - LEGISLATIVE ASSEMBLY.** Notwithstanding the \$900 per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the sixtieth legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the sixtieth legislative assembly is in session during the month of April 2007.

**SECTION 13. EFFECTIVE DATE.** Section 9 of this Act becomes effective on July 1, 2007, section 10 of this Act becomes effective on July 1, 2008, and section 11 of this Act becomes effective on July 1, 2009."

Page 5, remove lines 1 though 13

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1001 - Summary of Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Legislative Assembly						
Total all funds	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Less estimated income						
General fund	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Legislative Council						
Total all funds	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Less estimated income						
General fund	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Bill Total						
Total all funds	\$22,216,719	\$22,632,836	\$48,023	\$22,680,859	\$22,630,859	\$50,000
Less estimated income						
General fund	\$22,216,719	\$22,632,836	\$48,023	\$22,680,859	\$22,630,859	\$50,000

**House Bill No. 1001 - Legislative Assembly - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$6,691,021	\$6,691,021	\$164,536	\$6,855,557	\$6,855,557	
Operating expenses	2,904,339	3,038,955	(40,524)	2,998,431	2,948,431	\$50,000
Capital assets	206,000	206,000		206,000	206,000	
National Conference of State Legislatures	206,314	206,314		206,314	206,314	
Legislative applications replacements	3,910,827	3,910,827		3,910,827	3,910,827	
Total all funds	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Less estimated income						
General fund	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Dept. 150 - Legislative Assembly - Detail of Conference Committee Changes**

	REDUCES FUNDING FOR COMPUTERS <sup>1</sup>	ADDS MILEAGE FUNDING <sup>2</sup>	REMOVES FUNDING FOR PILOT PROJECT <sup>3</sup>	ADDS FUNDING FOR LEGISLATIVE PAY <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				\$164,536	\$164,536
Operating expenses	(\$50,000)	\$19,476	(\$10,000)		(40,524)
Capital assets					
National Conference of State Legislatures					
Legislative applications replacements					

Total all funds	(\$50,000)	\$19,476	(\$10,000)	\$164,536	\$124,012
Less estimated income					
General fund	(\$50,000)	\$19,476	(\$10,000)	\$164,536	\$124,012
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding added by the House for Legislative Assembly computer equipment is reduced to provide a total of \$350,000 from the general fund. The Senate version provided \$300,000.

<sup>2</sup> Funding is added for legislator mileage reimbursement during legislative sessions in accordance with provisions of House Bill No. 1107, the same as the Senate version.

<sup>3</sup> The funding and section added by the House providing for a personal communicator device pilot project are removed. The Senate also removed these items.

<sup>4</sup> Funding is provided for increasing legislative pay in accordance with provisions of House Bill No. 1106. Monthly compensation and session pay are each increased by 4 percent on July 1, 2007, and by 3.85 percent on July 1, 2008, which is estimated to cost \$252,572 for the 2007-09 biennium, the same as the Senate version. The legislative budget request included \$88,036 for increasing session pay by 4 percent for the 2007-09 biennium.

The section added by the House authorizing legislators to purchase personal communicator devices and related services from the Information Technology Department is removed. The Senate also removed this section.

A section is added providing that the Senate members of the Legislative Management Committee determine the expenditures of \$100,000 of the \$200,000 provided for committee room renovations and the House members of the committee determine the expenditures of the remaining \$100,000 of these funds. The Senate also added this section.

Sections added by the conference committee:

- Provide for a Legislative Council review of staff services and future staffing needs.
- Increase legislative leaders' additional compensation of \$250 per month by 4 percent for the first year of the biennium and by 3.85 percent for the second year.
- Increase legislator compensation for attending interim committee meetings to \$135 per day effective July 1, 2009.
- Allow additional lodging reimbursement for legislators for April 2007.

#### House Bill No. 1001 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,637,138	\$5,907,752	(\$99,489)	\$5,808,263	\$5,808,263	
Operating expenses	2,604,080	2,614,967	23,500	2,638,467	2,638,467	
Capital assets	<u>57,000</u>	<u>57,000</u>		<u>57,000</u>	<u>57,000</u>	
Total all funds	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Less estimated income						
General fund	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
FTE	33.00	34.00	(1.00)	33.00	33.00	0.00

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

	INCREASES EQUITY FUNDING <sup>1</sup>	ADDS MILEAGE FUNDING <sup>2</sup>	REMOVES NEW FISCAL POSITION <sup>3</sup>	ADDS FUNDING FOR LEGISLATIVE PAY <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$18,000		(\$140,614)	\$23,125	(\$99,489)
Operating expenses		\$23,500			23,500
Capital assets					
Total all funds	\$18,000	\$23,500	(\$140,614)	\$23,125	(\$75,989)
Less estimated income					
General fund	\$18,000	\$23,500	(\$140,614)	\$23,125	(\$75,989)

FTE	0.00	0.00	(1.00)	0.00	(1.00)
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<sup>1</sup> Funding provided for salary equity adjustments is increased from the House version to provide a total of \$148,000, the same as the Senate version.

<sup>2</sup> Funding is added for legislator mileage reimbursement for travel during the interim in accordance with provisions of House Bill No. 1107, the same as the Senate version.

<sup>3</sup> The new fiscal staff position added by the House is removed. The Senate also removed this position.

<sup>4</sup> Funding is provided for increasing legislative pay in accordance with provisions of House Bill No. 1106. Legislator pay for attending interim meetings is increased by 4 percent on July 1, 2007, and by 3.85 percent on July 1, 2008, the same as the Senate version.

The section added by the House providing that the Legislative Council review and report on agency implementation of appropriations and legislative intent items is removed. The Senate also removed this section.

Engrossed HB 1001 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 1001 be adopted.

#### CONFLICT OF INTEREST

**SEN. STENEHJEM STATED** that he and the Minority Leader had a conflict of interest on Engrossed HB 1001 and that they would be unable to vote on the bill.

#### MOTION

**SEN. NETHING MOVED** that the Senators in question be allowed to vote on Engrossed HB 1001, which motion prevailed.

The conference committee report on Engrossed HB 1001 was adopted on a voice vote.

Engrossed HB 1001, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1001:** A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for a legislative council review; to provide for transfers; to provide an exception; to amend and reenact subdivision c of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to legislative leaders' monthly compensation and interim legislative council pay; to provide an effective 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 40 YEAS, 6 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Freborg; Grindberg; Hacker; Heckaman; Holmberg; Horne; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nothing; O'Connell; Oehlke; Olafson; Pomeroy; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**NAYS:** Andrist; Flakoll; Heitkamp; Krauter; Potter; Robinson

**ABSENT AND NOT VOTING:** Behm

Engrossed HB 1001, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1021, as engrossed:** Your conference committee (Sens. Christmann, Fischer, Robinson and Reps. Skarphol, Thoreson, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1401-1403, adopt amendments as follows, and place HB 1021 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1401-1403 of the House Journal and pages 957-960 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 2, after "15.1-02" insert ", a new section to chapter 23-01, a new subsection to section 54-35-15.2,"

Page 1, line 4, after "instruction" insert ", creation of a health information technology steering committee, the powers and duties of the information technology committee,"

Page 2, line 3, replace "8,544,259" with "8,396,245"

Page 2, line 6, replace "479,226" with "449,226"

Page 2, line 7, replace "19,977" with "249,977"

Page 2, line 10, replace "11,333" with "111,333"

Page 2, line 13, replace "15,643,098" with "15,795,084"

Page 2, line 14, replace "14,253,781" with "14,105,767"

Page 2, line 15, replace "1,389,317" with "1,689,317"

Page 2, line 22, replace "37,871,433" with "37,723,419"

Page 2, line 25, replace "6,496,005" with "6,466,005"

Page 2, line 26, replace "906,574" with "1,136,574"

Page 2, line 29, replace "698,313" with "798,313"

Page 3, line 1, replace "124,550,325" with "124,702,311"

Page 3, line 2, replace "113,188,171" with "113,040,157"

Page 3, line 3, replace "11,362,154" with "11,662,154"

Page 3, line 5, after "between" insert "the salaries and wages, operating expenses, and capital assets"

Page 3, line 11, replace "\$1,351,490" with "\$1,611,490"

Page 3, after line 16, insert:

"Geographic information system data acquisition	100,000
Kindergarten through grade 12 video grants	190,000"

Page 3, line 17, replace "200,000" with "170,000"

Page 3, line 18, replace "1,351,490" with "1,611,490"

Page 3, line 20, replace "thirty-one" with "twenty-eight"

Page 3, after line 23, insert:

**"SECTION 7. VIDEO SUPPORT SERVICES - NORTH DAKOTA UNIVERSITY SYSTEM ASSISTANCE.** Section 3 of this Act includes the sum of \$300,110 to be provided by the North Dakota university system for the cost of two full-time equivalent positions and related operating expenses to provide support for video services in school districts."

Page 4, after line 22, insert:

**"SECTION 9.** A new section to chapter 23-01 of the North Dakota Century Code is created and enacted as follows:

**North Dakota health information technology steering committee.** The North Dakota health information technology steering committee consists of the state health officer or the state health officer's designee, the governor or the governor's designee, the executive director of the department of human services or the executive

director's designee, individuals appointed by the governor to represent state government interests, and individuals appointed by the state health officer to represent health information technology stakeholders.

**SECTION 10.** A new subsection to section 54-35-15.2 of the North Dakota Century Code is created and enacted as follows:

Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the affected legislative or judicial branch agency regarding any information technology project of the legislative or judicial branch with a total cost of two hundred fifty thousand dollars or more."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Information Technology Department - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$38,446,651	\$37,871,433	(\$148,014)	\$37,723,419	\$37,723,419	
Operating expenses	57,149,648	57,062,912		57,062,912	57,062,912	
Capital assets	12,145,250	12,145,250		12,145,250	12,145,250	
Division of Independent Study	6,376,005	6,496,005	(30,000)	6,466,005	6,466,005	
Educational Technology Council	906,574	906,574	230,000	1,136,574	1,136,574	
EduTech	2,722,348	2,722,348		2,722,348	2,722,348	
Wide area network	4,066,926	4,066,926		4,066,926	4,066,926	
Geographic information system	698,313	698,313	100,000	798,313	798,313	
Criminal justice information sharing	2,352,448	2,352,448		2,352,448	2,352,448	
Statewide longitudinal data system		228,116		228,116	228,116	
<b>Total all funds</b>	<b>\$124,864,163</b>	<b>\$124,550,325</b>	<b>\$151,986</b>	<b>\$124,702,311</b>	<b>\$124,702,311</b>	<b>\$0</b>
Less estimated income	<u>113,595,729</u>	<u>113,188,171</u>	<u>(148,014)</u>	<u>113,040,157</u>	<u>113,040,157</u>	
General fund	\$11,268,434	\$11,362,154	\$300,000	\$11,662,154	\$11,662,154	\$0
FTE	312.20	309.20	(3.00)	306.20	308.20	(2.00)

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

	REMOVES FUNDING AND FTE POSITION RELATED TO SUPPORT OF THE NORTHERN TIER NETWORK 1	REDUCES FUNDING FOR ONLINE NORTH DAKOTA STUDIES RESOURCES AND CURRICULUM 2	PROVIDES FUNDING FOR K-12 VIDEO GRANTS 3	INCREASES FUNDING FOR K-12 CLASSROOM TRANSFORMATION GRANTS 4	PROVIDES FUNDING FOR GIS DATA ACQUISITION 5	REMOVES FTE POSITIONS 6
Salaries and wages	(\$148,014)					
Operating expenses						
Capital assets						
Division of Independent Study		(\$30,000)				
Educational Technology Council			\$190,000	\$40,000		
EduTech						
Wide area network						
Geographic information system					\$100,000	
Criminal justice information sharing						
Statewide longitudinal data system						
<b>Total all funds</b>	<b>(\$148,014)</b>	<b>(\$30,000)</b>	<b>\$190,000</b>	<b>\$40,000</b>	<b>\$100,000</b>	<b>\$0</b>
Less estimated income	<u>(148,014)</u>					
General fund	\$0	(\$30,000)	\$190,000	\$40,000	\$100,000	\$0
FTE	(1.00)	0.00	0.00	0.00	0.00	(2.00)
	TOTAL CONFERENCE COMMITTEE CHANGES					

Salaries and wages	(\$148,014)
Operating expenses	
Capital assets	
Division of Independent Study	(30,000)
Educational Technology Council	230,000
EduTech	
Wide area network	
Geographic information system	100,000
Criminal justice information sharing	
Statewide longitudinal data system	
Total all funds	\$151,986
Less estimated income	(148,014)
General fund	\$300,000
FTE	(3.00)

<sup>1</sup> This amendment removes funding of \$148,014 from special funds and 1 FTE position relating to support of the Northern Tier Network, the same as the Senate version.

<sup>2</sup> This amendment reduces funding for the Division of Independent Study for developing online North Dakota studies resources and curriculum by \$30,000, from \$120,000 to \$90,000, the same as the Senate version.

<sup>3</sup> This amendment provides funding of \$190,000 from the general fund to the Educational Technology Council for providing kindergarten through grade 12 video grants, the same as the Senate version.

<sup>4</sup> This amendment provides funding for the Educational Technology Council for increasing kindergarten through grade 12 classroom transformation grants by \$40,000, from \$349,000 as provided in the executive budget to \$389,000, the same as the Senate version.

<sup>5</sup> This amendment provides funding of \$100,000 from the general fund for geographic information system data acquisition, the same as the Senate version.

<sup>6</sup> This amendment removes 2 FTE positions included in the executive budget for the Criminal Justice Information Sharing Initiative. The department is to use the funding provided for the 2 FTE positions to contract with the Attorney General's office.

This amendment:

- Amends Section 4 of the engrossed bill to limit transfer of funds between the salaries and wages, operating expenses, and capital assets line items, the same as the Senate version.
- Amends Section 5 of the engrossed bill to reflect one-time funding for the 2007-09 biennium, the same as the Senate version.
- Adds a new section providing that the North Dakota University System is to provide funding of \$300,110 for the cost of 2 FTE positions and related operating expenses for support of video services in school districts, the same as the Senate version.
- Adds a new section to create a new section to North Dakota Century Code (NDCC) Chapter 23-01 relating to the creation of a health information technology steering committee, the same as the Senate version.
- Adds a new section to create a new subsection to NDCC Section 54-35-15.2 relating to the powers and duties of the Information Technology Committee.

This amendment also recognizes additional department collections of \$1,204,688 for the 2005-07 biennium due to the receipt of a portion of e-rate reimbursement funding for costs incurred during fiscal year 2002. The Information Technology Department was originally denied e-rate reimbursement funding for fiscal year 2002 due to a technicality in the filing of forms for the e-rate program. Therefore, this amendment results in an increase of \$1,204,688 in the beginning general fund balance for the 2007-09 biennium. This additional revenue was also recognized in the Senate amendment.

Engrossed HB 1021 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 1021 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1021, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 15.1-02, a new section to chapter 23-01, a new subsection to section 54-35-15.2, and a new section to chapter 54-59 of the North Dakota Century Code, relating to the superintendent of public instruction, creation of a health information technology steering committee, the powers and duties of the information technology committee, and the borrowing authority of the information technology department; 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:** Anderson; Andrist; Bakke; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Behm

Engrossed HB 1021, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**MOTION**

**SEN. CHRISTMANN MOVED** that Sen. Tallackson replace Sen. O'Connell on the Senate Conference Committee on Engrossed HB 1012, 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 1001, HB 1021, HB 1233.

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

**MR. SPEAKER:** The President has appointed Sen. Tallackson to replace Sen. O'Connell on the Conference Committee on HB 1012.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has not adopted the conference committee report on: HB 1003.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2002, SB 2004, SB 2005, SB 2008, SB 2009, SB 2010, SB 2011, SB 2016, SB 2017, SB 2019, SB 2022, SB 2256, SB 2288, SB 2309, SCR 4037.

**MOTION**

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

**MOTION**

**SEN. BEHM MOVED** that the Senate be on the Fourth, Fifth, Seventh, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Monday, April 23, 2007, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2003, as engrossed:** Your conference committee (Sens. Kilzer, Holmberg, Mathern and Reps. Carlisle, Skarphol, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1071-1074, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1071-1074 of the Senate Journal and pages 1160-1163 of the House Journal and that Engrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 2, replace "an exemption" with "exemptions"

Page 1, line 3, replace "and" with "to authorize the use of state property; to provide for budget section reports; to provide legislative intent;"; replace "section" with "and reenact sections", and after "54-12-11" insert "and 54-59-21"

Page 1, line 4, after "general" insert "and to the criminal justice information sharing system; and to declare an emergency"

Page 2, line 3, replace "3,189,266" with "2,901,006"

Page 2, line 4, replace "1,525,512" with "2,112,731"

Page 2, line 5, replace "992,215" with "(2,849,010)"

Page 2, line 8, replace "149,211" with "31,398"

Page 2, line 11, replace "3,770,250" with "110,171"

Page 2, line 12, replace "(5,576,024)" with "(5,128,707)"

Page 2, line 13, replace "9,346,274" with "5,238,878"

Page 2, line 19, replace "22,739,001" with "22,450,741"

Page 2, line 20, replace "10,009,307" with "10,596,526"

Page 2, line 21, replace "6,410,956" with "2,569,731"

Page 2, line 25, replace "4,048,402" with "3,930,589"

Page 2, line 27, replace "47,470,807" with "43,810,728"

Page 2, line 28, replace "18,912,377" with "19,359,694"

Page 2, line 29, replace "28,558,430" with "24,451,034"

Page 3, after line 20, insert:

**"SECTION 8. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in section 3 of this Act includes \$1,442,840 from the general fund for construction of a new crime laboratory which is a one-time funding item. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The attorney general shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 9. ADDITIONAL FEDERAL FUNDS - EMERGENCY COMMISSION APPROVAL - LIMIT ON GENERAL FUND EXPENDITURES.** If the attorney general receives federal funding in excess of federal funding amounts appropriated by the sixtieth legislative assembly for the 2007-09 biennium, the attorney general may spend the additional federal funds, subject to emergency commission approval, but may not spend funding appropriated from the general fund or the multijurisdictional task force grant fund for similar purposes for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 10. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS - BACKGROUND CHECKS.** It is the intent of the sixtieth legislative assembly that of the five new full-time equivalent positions authorized for the attorney general's office to assist with conducting background checks, the attorney general may fill the positions only as necessary to meet workload demands for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 11. SOBRIETY PROGRAM PILOT PROJECT.** The attorney general may establish a pilot sobriety program in one or more judicial districts of the state during the biennium beginning July 1, 2007, and ending June 30, 2009. The sobriety program involves coordination among state, county, and municipal agencies for the purpose of implementing procedures as alternatives to incarceration, including sobriety testing twice per day seven days per week or continuous monitoring, for offenders charged with, or convicted of, driving under the influence of alcohol or controlled substances or other offenses involving alcohol or controlled substances. The attorney general, in cooperation with law enforcement, the judiciary, the department of corrections and rehabilitation, and the department of transportation traffic safety division, may develop guidelines, policies, and procedures for the administration of the pilot sobriety program

and to test offenders to enforce compliance with the sobriety program, including urine testing and electronic monitoring, and to establish user fees, all of which are not subject to chapter 28-32. There is created the North Dakota sobriety program fund. The fund consists of moneys received from grants from the United States, agencies of this state, private grants, gifts, or donations, and user fees. The funds are appropriated as a continuing appropriation to the attorney general for expenses necessary for the administration and operation of the sobriety program, including training and travel costs, equipment, and supplies for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 12. ATTORNEY GENERAL - AUTHORIZED USE OF STATE PROPERTY.** The attorney general is authorized to construct a new crime laboratory building on property owned by the state of North Dakota near the existing facility housing the crime laboratory. The attorney general, if necessary to allow for construction of the new crime laboratory, may move the state department of health's storage building located on the site. The attorney general, to the extent possible, shall locate the building to minimize the effect on the operations of the water commission in the area.

**SECTION 13. BUILDING PROJECT - BUDGET SECTION REPORTS.** The attorney general shall provide periodic reports to the budget section on the status of the construction of a new crime laboratory during the 2007-08 interim.

**SECTION 14. LEGISLATIVE INTENT - CRIME LABORATORY - SPACE PLAN.** It is the intent of the sixtieth legislative assembly that the facility management division of the office of management and budget develop a plan for the use of space that becomes available in the existing crime laboratory when the new crime laboratory is completed for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 15. ATTORNEY GENERAL REFUND FUND TRANSFER TO THE GENERAL FUND - EXCEPTION.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2007."

Page 3, after line 31, insert:

**"SECTION 18. AMENDMENT.** Section 54-59-21 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-21. Criminal justice information sharing board - Membership - Duties and powers - Director.**

1. The criminal justice information sharing board consists of the chief justice of the supreme court or the chief justice's designee, the attorney general or the attorney general's designee, and the chief information officer of the state. The chief information officer is chairman of the board.
2. The board may appoint and employ a director who serves at the pleasure of and under the direct supervision of the board. The information technology department shall provide staff support to the board. The board or director may acquire support staff and employ personnel who are under the direct supervision of the director and the board.
3. The board shall set policy relating to the collection, storage, and sharing of criminal justice information and the systems necessary to perform those functions. The board shall provide operational oversight for criminal justice information sharing activities and shall approve and provide oversight of criminal justice information sharing budgets. The board may appoint an executive committee and an advisory committee that would serve in an advisory capacity to the board.
4. The director may contract with the bureau of criminal investigation for the processing of federal fingerprint identification.

**SECTION 19. EMERGENCY.** The amount of \$16,515 included in the salaries and wages line item and \$77,885 included in the operating expenses line item in section 3 of this Act relating to costs of conducting 2005-07 biennium background checks and section 15 of this Act are declared to be an emergency measure."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2003 - Attorney General - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$21,344,055	\$22,739,001	(\$288,260)	\$22,450,741	\$21,774,960	\$675,781
Operating expenses	9,418,403	10,009,307	587,219	10,596,526	10,197,042	399,484
Capital assets	2,149,731	6,410,956	(3,841,225)	2,569,731	2,169,731	400,000
Grants	4,197,000	4,197,000		4,197,000	4,197,000	
Litigation fees	50,000	50,000		50,000	50,000	
Arrest and return of fugitives	10,000	10,000		10,000	10,000	
North Dakota lottery Gaming Commission	4,048,402 <u>6,141</u>	4,048,402 <u>6,141</u>	(117,813)	3,930,589 <u>6,141</u>	3,930,589 <u>6,141</u>	
Total all funds	\$41,223,732	\$47,470,807	(\$3,660,079)	\$43,810,728	\$42,335,463	\$1,475,265
Less estimated income	<u>18,294,523</u>	<u>18,912,377</u>	<u>447,317</u>	<u>19,359,694</u>	<u>18,591,028</u>	<u>768,666</u>
General fund	\$22,929,209	\$28,558,430	(\$4,107,396)	\$24,451,034	\$23,744,435	\$706,599
FTE	181.30	189.80	(1.30)	188.50	185.00	3.50

**Dept. 125 - Attorney General - Detail of Conference Committee Changes**

	REMOVES VACANT POSITIONS 1	ADDS BCI COMPUTER FORENSICS POSITION 2	CJIS FUNDING CHANGE 3	ADDS FUNDING FOR BACKGROUND CHECKS 4	ADDS FUNDING FOR 2005-07 BACKGROUND CHECKS 5	REDUCES SALARY EQUITY FUNDING 6
Salaries and wages	(\$254,608)	\$104,572		\$68,146	\$16,515	(\$496,885)
Operating expenses		50,428		139,190	77,885	
Capital assets		20,000				
Grants						
Litigation fees						
Arrest and return of fugitives						
North Dakota lottery Gaming Commission	(117,813)					
Total all funds	(\$372,421)	\$175,000	\$0	\$207,336	\$94,400	(\$496,885)
Less estimated income	<u>(372,421)</u>		<u>261,916</u>	<u>119,400</u>	<u>59,400</u>	<u>(21,842)</u>
General fund	\$0	\$175,000	(\$261,916)	\$87,936	\$35,000	(\$475,043)
FTE	(3.30)	1.00	0.00	1.00	0.00	0.00

	INCREASES SALARY EQUITY FUNDING 7	ADDS ADMINISTRATIVE FUNDS 8	CHANGES FUNDING FOR NEW CRIME LAB 9	REMOVES BCI BUILDING PURCHASE 10	ADDS FUNDING FOR EXISTING CRIME LAB OPERATING COST 11	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$229,000	\$45,000				(\$288,260)
Operating expenses				\$277,716	\$42,000	587,219
Capital assets			(\$1,863,225)	(1,998,000)		(3,841,225)
Grants						
Litigation fees						
Arrest and return of fugitives						
North Dakota lottery Gaming Commission						(117,813)
Total all funds	\$229,000	\$45,000	(\$1,863,225)	(\$1,720,284)	\$42,000	(\$3,660,079)
Less estimated income		<u>45,000</u>	<u>200,000</u>	<u>155,864</u>		<u>447,317</u>
General fund	\$229,000	\$0	(\$2,063,225)	(\$1,876,148)	\$42,000	(\$4,107,396)
FTE	0.00	0.00	0.00	0.00	0.00	(1.30)

1 The following vacant FTE positions are removed (the House had removed 4.30 vacant FTE positions):

POSITION	FTE	GENERAL FUND	OTHER FUNDS	TOTAL
Grants and contracts officer	(1.00)		(\$100,636)	(\$100,636)
Administrative assistant	(0.30)		(34,905)	(34,905)
High-intensity drug trafficking analyst	(1.00)		(119,067)	(119,067)
Lottery customer relations specialist	(1.00)		(117,813)	(117,813)
Total	(3.30)	\$0	(\$372,421)	(\$372,421)

2 Funding is added for a criminal investigator for conducting criminal investigation computerized forensic investigations and examinations, the same as the House version.

3 This amendment provides funding from funds received from the Information Technology Department for 2 FTE criminal justice information sharing (CJIS) positions. The Senate version provided funding from the general fund for these positions and the House removed the positions and funding. The section added by the House clarifying the services that may be provided by ITD relating to the criminal justice information sharing system is replaced with a section authorizing the CJIS board to hire a director position and to contract with BCI for federal fingerprint identification processing.

- 4 Funding of \$87,936 from the general fund and 1 FTE is added to provide a total of 5 new FTE positions and \$442,756 from the general fund for the Attorney General to conduct background checks in accordance with provisions of Senate Bill No. 2260. A section of legislative intent is added that the Attorney General fill the FTE positions only as the workload is sufficient to justify filling the positions. Special funds are added to allow the Attorney General to collect and pay fees relating to FBI background checks. The House also made these changes.
- 5 Funding is added with an emergency clause relating to costs of conducting background checks for the remainder of the 2005-07 biennium, in accordance with provisions of Senate Bill No. 2260.
- 6 Funding added by the Senate for salary equity increases for attorneys and employees of the Crime Laboratory and the Bureau of Criminal Investigation is removed, the same as the House version.
- 7 The salaries and wages line item is increased to provide additional salary equity funding for employees of the Attorney General's office. The House had added \$79,000 from the general fund for additional salary equity increases for employees of the Crime Laboratory and Bureau of Criminal Investigation.
- 8 Funding from the multijurisdictional task force grant fund created by House Bill No. 1330 is provided for salaries and wages relating to the administration of the multijurisdictional grant program.
- 9 Additional funding added by the Senate to purchase land and construct a new Crime Laboratory in north Bismarck is removed. The Attorney General is authorized in Section 8 of the engrossed bill to spend \$3,280,722 of remaining bond proceeds and \$1,642,840, of which \$1,442,840 is from the general fund and \$200,000 of other funds, except that the other funds may not be from the Attorney General refund fund, is appropriated in Section 3 of the bill. The Attorney General may use this funding, which totals \$4,923,562 for constructing a new Crime Laboratory building designed to allow for expansion on state land located near the current Crime Laboratory location. Sections are added authorizing the Attorney General to build on state land near the existing Crime Laboratory and providing that the Attorney General report to the Budget Section on the status of the project. The amounts provided are \$400,000 more, \$200,000 of which is from the general fund, than the funding provided by the House. The conference committee also added language authorizing the Attorney General to move the State Department of Health storage building from the site if necessary to allow for the building construction.
- 10 Authorization and funding added by the Senate for the Attorney General to purchase the Professional North Building which houses the Bureau of Criminal Investigation is removed, the same as the House version. Funding is provided to continue to lease the building, the same as the House version.
- 11 The conference committee appropriated \$42,000 from the general fund for operating costs of the existing crime lab facility for the last nine months of the 2007-09 biennium. This funding may be used only for operating costs of this facility during the period of time it is unoccupied.

A section is added providing that if additional federal funds become available, the Attorney General may not spend general fund moneys appropriated for similar purposes, the same as the House version.

A section is added identifying one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of one-time funding. The House added a similar section.

Sections are added by the conference committee which:

- Allow the Attorney General to retain the June 30, 2007, balance in the Attorney General refund fund rather than transferring the balance to the general fund.
- Provide for a sobriety program pilot project.
- Provide legislative intent that Facility Management develop a plan for the existing Crime Laboratory space when the new Crime Laboratory is completed.

Funding provided by the Senate but removed by the House for a .5 FTE horse racing auditor position is included in the conference committee version.

Funding of \$279,599 is included for additional Crime Laboratory operating costs resulting from inflation and the building expansion. This amount was included in the executive budget and the Senate version, but was removed by the House.

Engrossed SB 2003 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2013, as engrossed:** Your conference committee (Sens. Holmberg, Wardner, Robinson and Reps. Monson, Wald, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1143-1148, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1143-1148 of the Senate Journal and pages 1291-1295 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, after "library" insert "; to provide an appropriation relating to teachers' retirement contributions"

Page 1, line 4, after "transfers" insert "; to provide for a legislative council study; to provide for legislative intent; to provide an exemption" and remove "and subsection 5 of section 15.1-27-07"

Page 1, line 5, after "Code" insert "and section 28 of chapter 167 of the 2005 Session Laws"

Page 1, line 6, replace "per student payments for kindergarten students" with "contingent distributions of per student payments"

Page 3, line 10, replace "1,350,102" with "1,370,102"

Page 3, line 11, replace "6,075,986" with "4,845,986"

Page 3, line 21, replace "104,969,811" with "103,759,811"

Page 3, line 23, replace "75,193,139" with "73,983,139"

Page 4, line 3, replace "\$105,779" with "(\$272,221)"

Page 4, line 6, replace "\$113,302" with "(\$264,698)"

Page 4, line 7, replace "(363,103)" with "(288,103)"

Page 4, line 8, replace "476,405" with "23,405"

Page 4, line 17, replace "76,533,765" with "74,870,765"

Page 4, line 18, replace "29,633,567" with "29,708,567"

Page 4, line 19, replace "106,167,332" with "104,579,332"

Page 4, line 29, replace "11,407,054" with "11,427,054"

Page 4, line 30, replace "20,968,294" with "19,738,294"

Page 5, line 6, replace "1,037,313,033" with "1,036,103,033"

Page 5, line 8, replace "711,636,726" with "710,426,726"

Page 5, line 19, replace "5,141,381" with "4,763,381"

Page 5, line 22, replace "6,805,664" with "6,427,664"

Page 5, line 23, replace "964,162" with "1,039,162"

Page 5, line 24, replace "5,841,502" with "5,388,502"

Page 6, after line 1, insert:

"Total general fund appropriation - Section 3	\$722,711,140
Total estimated income appropriation - Section 3	\$329,441,186
Total all funds appropriation - Section 3	\$1,052,152,326"

Page 6, line 2, replace "724,374,140" with "722,725,758"

Page 6, line 3, replace "329,366,186" with "329,449,048"

Page 6, line 4, replace "1,053,740,326" with "1,052,174,806"

Page 6, after line 4, insert:

**"SECTION 4. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other funds derived from federal funds and other income, to the following departments for the purpose of funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

DEPARTMENT	GENERAL FUND	OTHER FUNDS	TOTAL
Division of independent study		\$7,560	\$7,560
School for the deaf	\$4,760		4,760
North Dakota vision services - School for the blind	2,600		2,600
Department of Corrections and Rehabilitation	7,258	302	7,560
Total	\$14,618	\$7,862	\$22,480"

Page 7, remove lines 3 through 8

Page 7, after line 25, insert:

**"SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in section 3 of this Act includes \$100,000 for the one-time funding item identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The school for the deaf shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Deferred maintenance - School for the deaf \$100,000

**SECTION 14. LEGISLATIVE COUNCIL STUDY - SERVICES TO STUDENTS WHO ARE DEAF OR HEARING-IMPAIRED.** The legislative council shall consider studying, during the 2007-08 interim, the provision of services to children and adults who are deaf or hearing-impaired, including the role of the North Dakota school for the deaf in the provision of educational and rehabilitative services, the short-term and long-term viability of existing state facilities, and alternative approaches that might enhance the scope and breadth of service availability. The study, if conducted, must include the feasibility of combining the administration and delivery of services of the school for the deaf with other area school districts, educational associations governed by joint powers agreements, special education units, and North Dakota vision services - school for the blind. The study should examine alternative uses for the buildings on the school for the deaf campus beyond the scope of the school's present mission. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 15. LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY.** It is the intent of the legislative assembly that the school for the deaf collaborate with Lake Region state college on the college's wind energy project and determine the feasibility of the school for the deaf accessing any available energy, including identifying any related costs. The school for the deaf should provide a report on the status of this collaboration to the appropriations committees of the sixty-first legislative assembly.

**SECTION 16. ADULT EDUCATION PER STUDENT FUNDING STUDY.** The commission on education improvement shall consider studying, during the 2007-08 interim, changes to the state school aid formula to provide per student payments to school districts offering an adult education program.

**SECTION 17. EXEMPTION.** Any amounts distributed pursuant to section 18 of this Act that will not be expended before June 30, 2007, are not subject to the provisions of section 54-44.1-11 and may be expended during the biennium beginning July 1, 2007, and ending June 30, 2009, for the purposes provided in section 18 of this Act.

**SECTION 18. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the

superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional ~~per student~~ payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.
  - a. The superintendent of public instruction shall distribute during the 2007-09 biennium \$45,000, or so much of that amount as may be necessary, as grants in the amount of \$5,000 each to any educational association that commits to the development and implementation of a teacher mentoring program for first-year, second-year, and third-year teachers employed by school districts participating in the association. If any of this amount remains after meeting the requirements of this subdivision, the superintendent shall distribute those funds as additional per student payments on a prorated basis to school districts participating in educational associations.
  - b. The superintendent of public instruction shall distribute \$955,000, or so much of that amount as may be necessary, as additional per student payments to school districts participating in eligible educational associations as provided in section 32 of chapter 167 of the 2005 Session Laws.
3. The superintendent of public instruction shall use the next \$600,000, or so much of that amount as may be necessary, to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
4. The superintendent of public instruction shall use the next \$2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional transportation grants to school districts as provided in Senate Bill No. 2200, as approved by the sixtieth legislative assembly. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as per student payments on a prorated basis according to the latest available average daily membership of each school district.
5.
  - a. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing payments to school districts that are members of regional education associations, for the biennium beginning July 1, 2007, and ending June 30, 2009.
  - b. Each year of the biennium, the superintendent of public instruction shall distribute fifty percent of the payments under this subsection to the school districts that are members of regional education associations on a per student basis. The superintendent shall make the distribution at the same time and in the same manner as other state aid payments under section 15.1-27-01.
6. The superintendent of public instruction shall use the next \$30,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the division of independent study for enhancing civic education.
7. The superintendent of public instruction shall use the next \$15,000, or so much of that amount as may be necessary, for the purpose of providing a one-time grant to the North Dakota museum of art for enhancing the snow country prisons travel exhibit.

8. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, to pay for the services of professionals and experts with whom the commission on education improvement contracts, during the 2007-08 interim, for assistance with its study of educational adequacy. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
9. The superintendent of public instruction shall use the next \$77,000, or so much of that amount as may be necessary, for providing funding to the education standards and practices board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification in accordance with Senate Bill No. 2057, as approved by the sixtieth legislative assembly.
10. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2005-07 biennium.
11. The superintendent of public instruction shall use the next \$400,000, or so much of that amount as may be necessary, to purchase and distribute to school districts automated external defibrillators. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
12. The superintendent of public instruction shall use the next \$395,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the north central council of school television for licensing of education television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses.
13. The superintendent of public instruction shall use the next \$500,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the state school aid computer system. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
14. The superintendent of public instruction shall use the next \$650,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the teacher licensure application used by the superintendent of public instruction and the education standards and practices board. The education standards and practices board shall pay the remaining \$80,000 of the anticipated total project cost. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
15. The superintendent of public instruction shall use the next \$25,748, or so much of that amount as may be necessary, for the purpose of reimbursing eligible school districts that received reduced amounts of state aid. For the purposes of this subsection, an eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below one hundred forty mills as the result of an accounting oversight.
16. a. The superintendent of public instruction shall use the next \$90,000, or so much of that amount as may be necessary, for the purpose of providing grants in the amount of \$1,000 to North Dakota residents who:

- (1) Are licensed to teach by the education standards and practices board;
- (2) Have taught in this state during each of the last five school years; and
- (3) Are enrolled in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership.
- b. If any of this amount remains after meeting the requirements of this subsection, the superintendent of public instruction shall distribute that amount as additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.
17. The superintendent of public instruction shall use the next \$50,000, or so much of that amount as may be necessary, for the purpose of providing a grant for the Atlantik-Brucke teacher exchange program.
18. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district."

Page 8, remove lines 1 through 28

Page 8, line 29, replace "Section" with "Sections", replace "4" with "5 and 18", and replace "is" with "are"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2013 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Information Technology Department						
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			7,560	7,560		\$7,560
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Public Instruction						
Total all funds	\$1,037,666,173	\$1,037,313,033	(\$1,210,000)	\$1,036,103,033	\$1,036,083,033	\$20,000
Less estimated income	326,080,447	325,676,307		325,676,307	325,676,307	
General fund	\$711,585,726	\$711,636,726	(\$1,210,000)	\$710,426,726	\$710,406,726	\$20,000
State Library						
Total all funds	\$5,861,312	\$5,861,312	\$0	\$5,861,312	\$5,861,312	\$0
Less estimated income	1,881,600	1,881,600		1,881,600	1,881,600	
General fund	\$3,979,712	\$3,979,712	\$0	\$3,979,712	\$3,979,712	\$0
School for the Deaf						
Total all funds	\$6,805,664	\$6,805,664	(\$373,240)	\$6,432,424	\$6,407,664	\$24,760
Less estimated income	964,162	964,162	75,000	1,039,162	1,039,162	
General fund	\$5,841,502	\$5,841,502	(\$448,240)	\$5,393,262	\$5,368,502	\$24,760
Vision Services - School for the Blind						
Total all funds	\$3,636,873	\$3,760,317	\$2,600	\$3,762,917	\$3,760,317	\$2,600
Less estimated income	844,117	844,117		844,117	844,117	
General fund	\$2,792,756	\$2,916,200	\$2,600	\$2,918,800	\$2,916,200	\$2,600
Department of Corrections and Rehabilitation						
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			302	302		302
General fund	\$0	\$0	\$7,258	\$7,258	\$0	\$7,258
Bill Total						
Total all funds	\$1,053,970,022	\$1,053,740,326	(\$1,565,520)	\$1,052,174,806	\$1,052,112,326	\$62,480
Less estimated income	329,770,326	329,366,186	82,862	329,449,048	329,441,186	7,862
General fund	\$724,199,696	\$724,374,140	(\$1,648,382)	\$722,725,758	\$722,671,140	\$54,618

#### Senate Bill No. 2013 - Information Technology Department - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
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Division of Independent Study			<u>\$7,560</u>	<u>\$7,560</u>		<u>\$7,560</u>
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>7,560</u>	<u>7,560</u>		<u>7,560</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Division of Independent Study	<u>\$7,560</u>	<u>\$7,560</u>
Total all funds	\$7,560	\$7,560
Less estimated income	<u>7,560</u>	<u>7,560</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment provides funding of \$7,560 from special funds for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

### Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,811,194	\$11,407,054	\$20,000	\$11,427,054	\$11,407,054	\$20,000
Operating expenses	21,088,294	20,968,294	(1,230,000)	19,738,294	19,738,294	
Grants - State school aid	724,165,879	726,165,879		726,165,879	726,165,879	
Grants - Special education contracts	17,500,000	17,500,000		17,500,000	17,500,000	
Grants - Transportation	33,500,000	33,500,000		33,500,000	33,500,000	
Grants - Other grants	227,530,806	227,701,806		227,701,806	227,701,806	
JPA incentives	2,000,000					
Transportation efficiency	30,000	30,000		30,000	30,000	
National board certification	40,000	40,000		40,000	40,000	
Total all funds	\$1,037,666,173	\$1,037,313,033	(\$1,210,000)	\$1,036,103,033	\$1,036,083,033	\$20,000
Less estimated income	<u>326,080,447</u>	<u>325,676,307</u>		<u>325,676,307</u>	<u>325,676,307</u>	
General fund	\$711,585,726	\$711,636,726	(\$1,210,000)	\$710,426,726	\$710,406,726	\$20,000
FTE	98.25	94.75	0.00	94.75	94.75	0.00

### Dept. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	INCREASES FUNDING FOR SALARIES AND WAGES <sup>1</sup>	REMOVES FUNDING FOR COMPUTER SYSTEM REWRITE PROJECTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$20,000		\$20,000
Operating expenses		(\$1,230,000)	(1,230,000)
Grants - State school aid			
Grants - Special education contracts			
Grants - Transportation			
Grants - Other grants			
JPA incentives			
Transportation efficiency			
National board certification			
Total all funds	\$20,000	(\$1,230,000)	(\$1,210,000)
Less estimated income			
General fund	\$20,000	(\$1,230,000)	(\$1,210,000)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment increases funding for salaries and wages by \$20,000 from the general fund to provide funding for administration of the state English language learner program. This increase was not included in either the Senate or House version.

<sup>2</sup> This amendment removes funding from the general fund for the state school aid rewrite project (\$500,000) and the teachers' licensure application rewrite project (\$730,000) and provides that those projects be funded from the 2005-07 per student and transportation aid contingent distributions, same as the House version.

This amendment also:

- Adds a section providing that the Commission on Education Improvement consider studying changes to the state school aid formula to provide per student payments to school districts offering an adult education program, same as the House version.
- Adds a section amending Section 28 of Chapter 167 of the 2005 Session Laws relating to contingent distributions of per student payments for the 2005-07 biennium. This section was also amended in the House version of the bill.
- Adds a section providing an exemption for contingent distributions of per student payments for the 2005-07 biennium.
- Removes Section 8 of the engrossed bill relating to English language learners, same as the House version.
- Removes Section 14 of the engrossed bill relating to full-day kindergarten, same as the House version.

#### Senate Bill No. 2013 - School for the Deaf - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,141,381	\$5,141,381	(\$373,240)	\$4,768,141	\$4,743,381	\$24,760
Operating expenses	1,514,283	1,514,283		1,514,283	1,514,283	
Capital assets	150,000	150,000		150,000	150,000	
Total all funds	\$6,805,664	\$6,805,664	(\$373,240)	\$6,432,424	\$6,407,664	\$24,760
Less estimated income	964,162	964,162	75,000	1,039,162	1,039,162	
General fund	\$5,841,502	\$5,841,502	(\$448,240)	\$5,393,262	\$5,368,502	\$24,760
FTE	48.44	48.44	(4.50)	43.94	43.94	0.00

#### Dept. 252 - School for the Deaf - Detail of Conference Committee Changes

	REMOVES VACANT FTE POSITIONS <sup>1</sup>	REDUCES FUNDING FOR SALARIES AND WAGES <sup>2</sup>	FUNDING SOURCE CHANGE <sup>3</sup>	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$323,000)	(\$55,000)		\$4,760	(\$373,240)
Operating expenses					
Capital assets					
Total all funds	(\$323,000)	(\$55,000)	\$0	\$4,760	(\$373,240)
Less estimated income			75,000		75,000
General fund	(\$323,000)	(\$55,000)	(\$75,000)	\$4,760	(\$448,240)
FTE	(4.50)	0.00	0.00	0.00	(4.50)

<sup>1</sup> This amendment removes 4.5 vacant FTE positions, same as the House version.

<sup>2</sup> This amendment reduces funding for the salaries and wages line item by \$55,000 from the general fund relating to anticipated attrition. The House version reduced funding for the salaries and wages line item by \$75,000 from the general fund.

<sup>3</sup> This change was also included in the House version.

<sup>4</sup> This amendment provides funding of \$4,760 from the general fund for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

This amendment also:

- Adds a section to the bill identifying one-time funding for the 2007-09 biennium, same as the House version.
- Adds a section to the bill to provide for a Legislative Council study of services to students who are deaf or hearing-impaired, same as the House version.
- Adds a section to the bill to provide legislative intent that the School for the Deaf collaborate with Lake Region State College on the college's wind energy project, same as the House version.

#### Senate Bill No. 2013 - Vision Services - School for the Blind - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,874,015	\$2,977,419	\$2,600	\$2,980,019	\$2,977,419	\$2,600
Operating expenses	620,758	640,798		640,798	640,798	
Capital assets	<u>142,100</u>	<u>142,100</u>		<u>142,100</u>	<u>142,100</u>	
Total all funds	\$3,636,873	\$3,760,317	\$2,600	\$3,762,917	\$3,760,317	\$2,600
Less estimated income	<u>844,117</u>	<u>844,117</u>		<u>844,117</u>	<u>844,117</u>	
General fund	\$2,792,756	\$2,916,200	\$2,600	\$2,918,800	\$2,916,200	\$2,600
FTE	27.00	28.00	0.00	28.00	28.00	0.00

#### Dept. 253 - Vision Services - School for the Blind - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$2,600	\$2,600
Operating expenses		
Capital assets		
Total all funds	\$2,600	\$2,600
Less estimated income		
General fund	\$2,600	\$2,600
FTE	0.00	0.00

<sup>1</sup> This amendment provides funding of \$2,600 from the general fund for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

#### Senate Bill No. 2013 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Youth services			\$7,560	\$7,560		\$7,560
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>302</u>	<u>302</u>		<u>302</u>
General fund	\$0	\$0	\$7,258	\$7,258	\$0	\$7,258
FTE	0.00	0.00	0.00	0.00	0.00	0.00

#### Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Youth services	\$7,560	\$7,560
Total all funds	\$7,560	\$7,560
Less estimated income	<u>302</u>	<u>302</u>
General fund	\$7,258	\$7,258
FTE	0.00	0.00

<sup>1</sup> This amendment provides funding of \$7,560, of which \$7,258 is from the general fund, for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

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

**William R. Horton, Secretary**