

## JOURNAL OF THE HOUSE

## Sixty-seventh Legislative Assembly

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Bismarck, April 29, 2021

The House convened at 8:00 a.m., with Speaker K. Koppelman presiding.

The prayer was offered by Rep. Longmuir, District 2.

The roll was called and all members were present except Representatives B. Anderson, Bellew, Guggisberg, Hagert, Kempenich, Ostlie, and Tveit.

A quorum was declared by the Speaker.

## MOTION

**REP. LOUSER MOVED** that HB 1004 be moved to the bottom of the calendar, which motion prevailed on a voice vote.

## CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. KREIDT MOVED** that the conference committee report on Engrossed SB 2004 as printed on HJ pages 2040-2048 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2004, as amended, was placed on the Fourteenth order of business.

## SECOND READING OF SENATE BILL

**SB 2004:** A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact sections 23-01-02, 54-27-25, 61-02.1-02.1, 61-02.1-04 of the North Dakota Century Code and section 510 of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, relating to compensation of members of the health council, the tobacco settlement trust fund, statewide water development project funding, bonds payable, and the transfer of appropriation authority to the department of health and human services; to repeal sections 54-27-25.1 and 61-02.1-05 of the North Dakota Century Code, relating to water development trust fund expenditures and the water development trust fund; to provide for a transfer; to provide a statement of legislative intent; to provide for a report; to provide for a legislative management study; 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 76 YEAS, 12 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Ostlie; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Trottier; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Becker; Christensen; Ertelt; Hoverson; Keiser; Koppelman, B.; Magrum; Marschall; Ruby, D.; Schatz; Toman; Vetter

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich; Tveit

Engrossed SB 2004, as amended, passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. MOCK MOVED** that the conference committee report on Engrossed SB 2021 as printed on HJ pages 2064-2074 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2021, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact section 54-59-05 as amended by section 5 of Senate Bill No. 2007, as approved by the sixty-seventh legislative assembly, and section 54-59-07 of the North Dakota Century Code, relating to the veterans' home information technology services and state information technology advisory committee; to repeal section 6 of Senate Bill No. 2016, as approved by the sixty-seventh legislative assembly, relating to the information technology unification initiative; to provide a transfer; to provide for a report; to provide an exemption; to provide for a statement of legislative intent; to provide for a legislative management study; 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 73 YEAS, 16 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Becker; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Ostlie; Owens; Paulson; Pollert; Pyle; Richter; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Stemen; Strinden; Thomas; Trottier; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke

**NAYS:** Christensen; Delzer; Ertelt; Hoverson; Keiser; Koppelman, B.; Magrum; Marschall; Martinson; Meier; Paur; Porter; Rohr; Steiner; Toman; Speaker Koppelman, K.

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich

Engrossed SB 2021, as amended, passed and the emergency clause was declared carried.

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**ANNOUNCEMENT**

**SPEAKER K. KOPPELMAN ANNOUNCED** that the House stand in recess until 12:30 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker K. Koppelman presiding.

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 28, 2021, I have signed the following: HB 1003, HB 1006, HB 1010, HB 1018, HB 1019, HB 1021, HB 1024, HB 1027, and HB 1035.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1388, as reengrossed:** Your conference committee (Sens. Schaible, Elkin, Oban and Reps. Monson, Sanford, Owens) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1599-1605, adopt amendments as follows, and place HB 1388 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1599-1605 of the House Journal and pages 1334-1339 of the Senate Journal and that Reengrossed House Bill No. 1388 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new subsection to section 15.1-06-04, a new section to chapter 15.1-07, a new section to chapter 15.1-13, and a new section to chapter 15.1-21 of the North Dakota Century Code, relating to virtual learning, school calendar length, reading competency requirements, and teacher professional development and licensure; to"

Page 1, line 1, replace "sections 15.1-01-04," with "subsection 4 of section 15.1-06-04, subdivision e of subsection 1 of section 15.1-06-06, section 15.1-06-13, subsection 2 of section 15.1-09.1-02.1, and sections 15.1-20-01,"

Page 1, line 1, remove the second "and"

Page 1, line 1, after "15.1-27-04.1" insert ", 15.1-27-35, and 15.1-31-07"

Page 1, line 3, remove "and"

Page 1, line 4, after "rates" insert ", student attendance and enrollment, school approval, school compliance, regional education association services, average daily membership, and school calendars; to provide for a legislative management study; to provide for a kindergarten through grade twelve education coordination council study; to provide for a legislative management report"

Page 1, line 4, remove the second "and"

Page 1, line 5, replace "provide an appropriation;" with "provide an effective date; and to declare an emergency"

Page 1, remove lines 7 through 23

Page 2, remove lines 1 through 31

Page 3, replace lines 1 through 29 with:

**"SECTION 1. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. For purposes of this section, a full day of instruction at a physical school plant consists of:
  - a. 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
  - b. 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 2.** A new subsection to section 15.1-06-04 of the North Dakota Century Code is created and enacted as follows:

If a school district intends to provide virtual instruction, the instruction must comply with the requirements under subsection 4. The attendance of students participating in virtual instruction must be verified by monitoring the student's progress on academic pacing guides developed by the school district to ensure students are in attendance and receiving sufficient curricular instruction, as defined in rules adopted by the superintendent of public instruction.

**SECTION 3. AMENDMENT.** Subdivision e of subsection 1 of section 15.1-06-06 of the North Dakota Century Code is amended and reenacted as follows:

- e. The physical school plant has been inspected by the state fire marshal or the state fire marshal's designee in accordance with section 15.1-06-09 and:

- (1) Has no unremedied deficiency; or
- (2) Has deficiencies that have been addressed in a plan of correction which was submitted to and approved by the state fire marshal or the state fire marshal's designee;

**SECTION 4. AMENDMENT.** Section 15.1-06-13 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-13. Schools - Compliance with health, safety, and sanitation requirements.**

The superintendent of each school district shall ensure that the ~~schools~~ physical school plants in the district comply with all health, safety, and sanitation requirements.

**SECTION 5.** A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

**School districts - Policy - Virtual learning - Report to legislative management.**

The board of a school district or governing board of a nonpublic school that operates a physical school plant may adopt a policy to allow students to engage in virtual instruction and in the case of a school district, qualify for average daily membership in the district. The superintendent of public instruction shall adopt rules governing policies under this section. A policy adopted by a school district under this section must comply with the rules adopted by the superintendent of public instruction. The superintendent of public instruction shall provide biennial reports to the legislative management regarding the academic performance metrics of students participating in virtual instruction under this section.

**SECTION 6. AMENDMENT.** Subsection 2 of section 15.1-09.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

2. Subsection 1 does not preclude a regional education association from offering additional services ~~to its member districts.~~

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

**Teaching license - Reading instruction competency.**

1. The board shall ensure a candidate for teacher licensure demonstrates competencies in beginning reading instruction based on scientifically and research-based best practices. Competencies must include the acquisition of knowledge of the essential components of beginning reading instruction, including:
  - a. Phonemic awareness;
  - b. Phonics;
  - c. Fluency;
  - d. Vocabulary;
  - e. Comprehension;
  - f. How to assess student reading ability; and
  - g. How to identify and correct reading difficulties.

2. A prekindergarten, kindergarten, elementary, and special education initial teacher licensure candidate must provide evidence that the candidate meets the competency standards of the components under subsection 1.
3. A prekindergarten through grade twelve and a secondary education initial teacher licensure candidate must provide evidence that the candidate meets the competency standards of the components under subsection 1.
4. A teacher licensure candidate satisfies the requirements of this section if the candidate demonstrates the candidate has received training in competencies related to reading instruction from an accredited or approved program, or demonstrates mastery of the topics provided under subsection 1. The board may issue a provisional license for up to two years to a teacher licensure candidate who does not meet the requirements of this section.

**SECTION 8. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

1. Any person having responsibility for a child between the ages of seven and sixteen years shall ensure that the child ~~is in attendance at~~ attends a public school for the duration of each school year.
2. If a person enrolls a child of age six in a public school, the person shall ensure that the child ~~is in attendance at~~ attends the public school for the duration of each school year. The person may withdraw a child of age six from the public school. However, once the child is withdrawn, the person may not re-enroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02.
4. The attendance of students participating in virtual instruction must be verified by monitoring the student's progress on academic pacing guides developed by the school district to ensure students are in attendance and receiving sufficient curricular instruction, as defined in rules adopted by the superintendent of public instruction.

**SECTION 9.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**Reading curriculum - Content - Professional development - Reports to legislative management.**

1. Beginning July 1, 2022, each school district and nonpublic school shall ensure the portion of its curriculum which is related to reading:
  - a. Is scientifically based, evidence based, and research based;
  - b. Focuses on:
    - (1) Phonemic awareness;
    - (2) Phonics;
    - (3) Fluency;
    - (4) Vocabulary; and
    - (5) Comprehension; and

- c. Uses systematic direct instruction for students in kindergarten through grade three to ensure all students obtain necessary early reading skills.
2. Before the 2022-23 school year, each teacher who teaches kindergarten through grade three at a school district or nonpublic school, and each principal of a public or nonpublic school with kindergarten through grade three, shall attend teacher-approved, professional development training that includes training in the topics provided under subsection 1.
3. Each teacher or principal hired by a school district or nonpublic school that provides instruction in kindergarten through grade three shall complete the training under subsection 2, or demonstrate mastery of the topics provided under subsection 1, within one year of the teacher's or principal's first year of placement in the grade level or at the school.
4. To be approved by the superintendent of public instruction, each public and nonpublic school shall certify to the superintendent of public instruction that the district or school:
  - a. Ensures the placement of highly effective teachers in kindergarten through grade three:
  - b. Has integrated reading instruments used to diagnose reading development and comprehension; and
  - c. Has integrated evidence-based resources to support reading development and comprehension.
5. The superintendent of public instruction shall provide ongoing assistance to school districts and nonpublic schools to be in and maintain compliance with this section.
6. The superintendent of public instruction, in collaboration with the kindergarten through grade twelve education coordination council, shall adopt rules to implement this section, including rules to monitor implementation and compliance with this section.
7. The superintendent of public instruction shall provide periodic reports to the legislative management on the implementation and effectiveness of this section in improving educational outcomes and reading competency of students."

Page 9, remove lines 11 through 14

Page 9, line 17, after the period insert "For the 2022-23 school year, for school districts that operate multiple kindergarten through grade twelve buildings at least nineteen miles [30.58 kilometers] apart, or multiple buildings at least nineteen miles [30.58 kilometers] apart with no replicated grades, the superintendent of public instruction shall determine the school size weighting factor for each building separately. The superintendent of public instruction shall multiply the school size weighting factor for each building by the school district's weighted average daily membership to determine each building's weighted student units. The superintendent of public instruction shall combine the weighted student units of all buildings in the school district to determine the school district's weighted student units."

Page 12, line 10, after "thousand" insert "one hundred"

Page 12, line 16, after "thousand" insert "one hundred"

Page 12, line 22, overstrike "thirty-six" and insert immediately thereafter "two hundred thirty-seven"

Page 12, line 29, overstrike "thirty-six" and insert immediately thereafter "two hundred thirty-seven"

Page 13, line 8, replace "fifteen" with "ten"

Page 13, line 10, remove the overstrike over "~~multiplied~~"

Page 13, line 10, remove "plus fifteen percent of the difference between the"

Page 13, remove lines 11 through 14

Page 13, line 15, remove "subdivision a of this subsection."

Page 13, line 19, remove the overstrike over "~~ten~~"

Page 13, line 19, remove "twenty"

Page 13, line 20, remove the overstrike over "~~multiplied~~"

Page 13, line 20, remove "plus thirty percent of"

Page 13, remove lines 21 through 24

Page 13, line 25, remove "under paragraph 1 of subdivision b of this subsection."

Page 13, line 28, replace "twenty" with "ten"

Page 13, line 29, replace "forty-five" with "twenty"

Page 13, line 31, replace "twenty" with "ten"

Page 14, line 6, replace "twenty" with "ten"

Page 14, line 7, replace "sixty" with "forty"

Page 14, line 9, replace "twenty" with "ten"

Page 14, line 15, replace "twenty" with "ten"

Page 14, line 16, replace "seventy-five" with "sixty"

Page 14, line 18, replace "twenty" with "ten"

Page 14, line 24, replace "twenty" with "ten"

Page 14, line 25, replace "ninety" with "eighty"

Page 14, line 27, replace "twenty" with "ten"

Page 15, remove lines 1 through 8

Page 15, line 9, remove "school year"

Page 15, line 9, overstrike the period

Page 19, line 12, after "thousand" insert "one hundred"

Page 19, line 18, after "thousand" insert "one hundred"

Page 19, line 24, overstrike "thirty-six" and insert immediately thereafter "two hundred thirty-seven"

Page 19, line 31, overstrike "thirty-six" and insert immediately thereafter "two hundred thirty-seven"

Page 20, line 10, replace "fifteen" with "ten"

Page 20, line 12, remove the overstrike over "~~multiplied~~"

Page 20, line 12, remove "plus fifteen percent of the difference between the"

Page 20, remove lines 13 through 16

Page 20, line 17, remove "subdivision a of this subsection."

Page 20, line 21, remove the overstrike over "~~ten~~"

Page 20, line 21, remove "twenty"

Page 20, line 22, remove the overstrike over "~~multiplied~~"

Page 20, line 22, remove "plus thirty percent of"

Page 20, remove lines 23 through 26

Page 20, line 27, remove "under paragraph 1 of subdivision b of this subsection."

Page 20, line 30, replace "twenty" with "ten"

Page 20, line 31, replace "forty-five" with "twenty"

Page 21, line 2, replace "twenty" with "ten"

Page 21, line 8, replace "twenty" with "ten"

Page 21, line 9, replace "sixty" with "forty"

Page 21, line 11, replace "twenty" with "ten"

Page 21, line 17, replace "twenty" with "ten"

Page 21, line 18, replace "seventy-five" with "sixty"

Page 21, line 20, replace "twenty" with "ten"

Page 21, line 26, replace "twenty" with "ten"

Page 21, line 27, replace "ninety" with "eighty"

Page 21, line 29, replace "twenty" with "ten"

Page 22, remove lines 3 through 11

Page 23, replace lines 25 through 29 with:

**"SECTION 12. 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 hours that each student in a given grade, school, or school district is in attendance at the school's physical plant during a school calendar and the total number of hours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by:
  - a. Nine hundred sixty-two and one-half hours for elementary school students; or
  - b. One thousand fifty hours for middle and high school students.
2. 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. 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.
- d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 13. 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.**

1. 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.
2. If a student resides in a district other than the one the student is enrolled in for purposes of receiving virtual instruction, the student is not subject to this chapter unless a cost-sharing agreement is established between the school district of residence and the receiving district.

**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - TRANSITION MINIMUM REDUCTION.**

1. During the 2021-22 interim, the legislative management shall consider studying kindergarten through grade twelve school funding, including transition minimum reduction impacts to reorganized and consolidated school districts. The study must include:
  - a. A review of school districts that have multiple buildings in the district and districts that have built a new building without using traditional bonding methods as a result of a multidistrict reorganization;
  - b. An analysis of high-cost students, including students who are high cost due to special education needs, medical reasons, agency placements, or any other reasons that increase the cost to educate the students beyond the state threshold;
  - c. An ongoing review of the impacts of school districts that are off of the funding formula as they transition onto the formula;
  - d. An analysis of human resource allocation and the duties and needs in elementary and secondary school buildings with a targeted focus on student academic health, behavioral health, and social and emotional health; and
  - e. A review of student performance data relevant to students participating in virtual learning.

2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-eighth legislative assembly.

**SECTION 15. KINDERGARTEN THROUGH GRADE TWELVE EDUCATION COORDINATION COUNCIL STUDY - COMPOSITION - DUTIES - TERM LIMITS - REPORT TO LEGISLATIVE MANAGEMENT.** During the 2021-22 interim, the kindergarten through grade twelve education coordination council shall study the membership, duties, and term limits of the council. Before June 1, 2022, the kindergarten through grade twelve education coordination council shall report the findings and recommendations of the study, including any proposed legislation necessary to implement the recommendations, to the legislative management.

**SECTION 16. EFFECTIVE DATE.** Section 7 of this Act becomes effective on July 1, 2022.

**SECTION 17. EMERGENCY.** Section 12 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

Reengrossed HB 1388 was placed on the Seventh order of business on the calendar.

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

**REP. MONSON MOVED** that the conference committee report on Reengrossed HB 1388 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1388, as amended, was placed on the Eleventh order of business.

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

**HB 1388:** A BILL for an Act to create and enact a new subsection to section 15.1-06-04, a new section to chapter 15.1-07, a new section to chapter 15.1-13, and a new section to chapter 15.1-21 of the North Dakota Century Code, relating to virtual learning, school calendar length, reading competency requirements, and teacher professional development and licensure; to amend and reenact subsection 4 of section 15.1-06-04, subdivision e of subsection 1 of section 15.1-06-06, section 15.1-06-13, subsection 2 of section 15.1-09.1-02.1, and sections 15.1-20-01, 15.1-27-03.2, 15.1-27-04.1, 15.1-27-35, and 15.1-31-07 of the North Dakota Century Code, relating to membership of the kindergarten through grade twelve education coordination council, adjustments to school district size weighting factors, the education foundation aid funding formula transition maximum and payment rates, student attendance and enrollment, school approval, school compliance, regional education association services, average daily membership, and school calendars; to provide for a legislative management study; to provide for a kindergarten through grade twelve education coordination council study; to provide for a legislative management report; 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 71 YEAS, 17 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Beltz; Bosch; Boschee; Brandenburg; Cory; Damschen; Devlin; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Hoverson; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Owens; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Stemen; Strinden; Thomas; Toman; Trotter; Tveit; Vetter; Vigasaa; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Anderson, P.; Becker; Boe; Buffalo; Christensen; Delzer; Dobervich; Ertelt; Koppelman, B.; Magrum; Marschall; Paulson; Paur; Ruby, M.; Schatz; Skroch; Weisz

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich; Ostlie

Reengrossed HB 1388 passed and the emergency clause was declared carried.

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#### MOTION

**REP. LOUSER MOVED** that HB 1388 be messaged immediately, which motion prevailed on a voice vote.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1395:** Your conference committee (Sens. Bekkedahl, Holmberg, Heckaman and Reps. Delzer, Pollert, Boschee) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1549-1553, adopt amendments as follows, and place HB 1395 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1810-1814 of the House Journal and pages 1549-1553 of the Senate Journal and that House Bill No. 1395 be amended as follows:

Page 1, line 2, after "section" insert "; to provide a statement of legislative intent"

Page 1, line 2, after "appropriation" insert "; to provide an exemption"

Page 1, line 14, replace "June 18" with "May 15"

Page 1, replace lines 19 and 20 with:

"Office of management and budget	7,003,055	18,315	7,021,370
Information technology department	61,868,226	0	61,868,226"

Page 1, after line 21, insert:

"State treasurer	122,757,062	523,194	123,280,256"
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Page 2, replace lines 2 through 4 with:

"Judicial branch	312,212	360,000	672,212
Department of public instruction	64,316,217	0	64,316,217
Department of trust lands	94,135	1,505	95,640"

Page 2, replace line 10 with:

"North Dakota state university	18,671,414	(52,750)	18,618,664"
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Page 2, replace line 19 with:

"State department of health	174,115,929	(72,542,160)	101,573,769"
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Page 2, replace lines 24 through 27 with:

"Department of human services	61,103,911	(548,937)	60,554,974
Job service North Dakota	372,381,213	(1,427,906)	370,953,307
Industrial commission	65,476,513	6,000,000	71,476,513
Bank of North Dakota	70,000,000	(1,322,817)	68,677,183"

Page 2, remove line 30

Page 3, replace lines 1 through 5 with:

"Highway patrol	13,919,094	(11,091)	13,908,003
Department of corrections and rehabilitation	11,170,709	(1,505)	11,169,204
Adjutant general	16,148,260	(4,951,480)	11,196,780

Department of commerce	109,179,000	(27,000,000)	82,179,000
Agriculture commissioner	13,556,000	(148,450)	13,407,550"

Page 3, replace line 7 with:

"Upper great plains transportation institute	45,095	(3,477)	41,618"
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Page 3, replace line 16 with:

"State historical society	20,000	(1,000)	19,000"
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Page 3, replace line 20 with:

"Total	\$1,250,000,000	(\$101,108,559)	\$1,148,891,441
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**SECTION 2. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds to the state departments and institutions of the state of North Dakota listed below for the purpose of defraying COVID-19 and other expenses for the period beginning with the effective date of this Act, and ending June 30, 2023, as follows:

Subdivision 1.

STATE TREASURER

Local fiscal relief fund allocations	<u>\$50,160,000</u>
Total federal funds	\$50,160,000

Subdivision 2.

DEPARTMENT OF PUBLIC INSTRUCTION

Elementary and secondary school emergency education relief	\$305,266,879
Emergency education relief homeless children and youth program	1,999,661
Assistance to nonpublic schools	4,151,371
Individuals with disabilities education act grant	<u>8,632,569</u>
Total federal funds	\$320,050,480

STATE LIBRARY

COVID-19 salaries and wages	\$86,669
COVID-19 operating expenses	1,580,057
COVID-19 grants	<u>500,000</u>
Total federal funds	\$2,166,726

Subdivision 4.

STATE DEPARTMENT OF HEALTH

COVID-19 response	<u>\$87,290,597</u>
Total federal funds	\$87,290,597

Subdivision 5.

VETERANS' HOME

COVID-19 response	<u>\$1,300,000</u>
Total federal funds	\$1,300,000

Subdivision 6.

DEPARTMENT OF HUMAN SERVICES

COVID-19 operating expenses	\$16,863,309
COVID-19 grants	<u>224,826,531</u>
Total federal funds	\$241,689,840

## Subdivision 7.

## ADJUTANT GENERAL

COVID-19 response	<u>\$887,873</u>
Total federal funds	<u>\$887,873</u>

## Subdivision 8.

## DEPARTMENT OF COMMERCE

COVID-19 response	<u>\$56,234,176</u>
Total federal funds	<u>\$56,234,176</u>

## Subdivision 9.

## COUNCIL ON THE ARTS

COVID-19 funding	<u>\$759,060</u>
Total federal funds	<u>\$759,060</u>

## Subdivision 10.

## DEPARTMENT OF TRANSPORTATION

COVID-19 grants	\$1,609,357
COVID-19 capital assets	<u>317,000,000</u>
Total federal funds	<u>\$318,609,357</u>

## Subdivision 11.

## TOTAL - SECTION 2

Grand total federal funds	\$1,079,148,109
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**SECTION 3. LEGISLATIVE INTENT - STATE FISCAL RECOVERY FUND AND CORONAVIRUS CAPITAL PROJECTS FUND.**

It is the intent of the sixty-seventh legislative assembly that state fiscal recovery funds and any unexpended federal coronavirus capital projects funds received through H.R. 1319 of the 117<sup>th</sup> Congress, also known as the federal American Rescue Plan Act, be appropriated by the legislative assembly during future regular and special legislative sessions and that funding for one-time initiatives and projects that improve the well-being of the state's citizens be given consideration for use of this funding.

**SECTION 4. EXEMPTION.** The funding appropriated in section 1 of this Act is not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 3, line 22, replace "June 18" with "May 15"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment adjusts funding allocations from the federal Coronavirus Relief Fund as follows:

- Reduces allocations for various agencies by a total of \$108,010,068 based on estimated unused allocation authority and authorizes the Department of Commerce to reallocate a portion of its funding for costs associated with collecting previously distributed funds, the same as the Senate.
- Makes a technical correction for allocations to the Department of Trust Lands and Department of Corrections and Rehabilitation, the same as the Senate.
- Allocates an additional \$523,194 to the State Treasurer for distribution to political subdivisions, the same as the Senate.

- Allocates \$18,315 to the Office of Management and Budget for audit costs, the same as the Senate.
- Allocates \$6 million to the Industrial Commission for well plugging and reclamation costs. The Senate allocated \$4 million.
- Allocates \$360,000 to the judicial branch for remote video equipment. The Senate did not allocate this funding.

This amendment also appropriates federal funding to be received under the federal American Rescue Plan Act and other federal funding as follows:

Agency	Program/Purpose	Amount
State Treasurer	Local fiscal relief allocations to political subdivisions	\$50,160,000
Department of Public Instruction	Elementary and secondary school emergency education relief funding	\$305,266,879
	Emergency education relief homeless children and youth program	1,999,661
	Individuals with disabilities education grants for special education needs	8,632,569
	Emergency assistance to nonpublic schools	4,151,371
Total - Department of Public Instruction		\$320,050,480
State Library	Assistance to libraries to expand digital network access, purchase Internet accessible devices, and provide technical support services	\$2,166,726
State Department of Health	Women, infants, and children program cash value voucher	\$801,409
	Testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19	22,952,934
	Assistance to federal, state, local, territorial, and tribal public health agencies to distribute, administer, monitor, and track COVID-19 vaccination efforts	32,258,011
	Strategies to improve COVID-19 response in high-risk and underserved populations	31,278,243
Total - State Department of Health		\$87,290,597
Veterans' Home	Personal protective equipment, employee wages, disinfecting supplies, and medical supplies	\$1,300,000
Department of Human Services	Continuation of child care development block grant payments and assistance to individuals and child care providers	\$29,243,107
	Child care stabilization grants to child care providers and increased supports for providers and families	46,771,413
	Additional child care entitlement funding for child care assistance program	1,317,327
	Low-income home energy assistance program enhancements	34,517,336
	Pandemic emergency assistance for nonrecurrent short-term needs of families	1,354,594
	Community-based child abuse prevention efforts for respite care, after school activities, and family support	592,780
	Child abuse state grants for outreach and training on child protection safety and response	284,363
	Supportive services to assist older adults to maintain independence	2,300,000
	Additional assistance for nutrition services for the elderly to provide increased reimbursement rates	3,750,000
	Expansion of preventative services programs and training for older adults	150,000
	Family caregiver assistance	500,000
	Awareness and access improvements to the long-term care ombudsman	50,000
	Additional mental health block grant funding for community mental health services	2,567,171

	Additional substance abuse block grant funding for substance use prevention efforts and substance use disorder needs	5,537,390
	Emergency rental assistance program to provide rental assistance to eligible individuals	50,000,000
	Additional funding for the supplemental nutrition assistance program for system modifications and staffing	922,754
	Additional Federal Part C funding for early intervention and other efforts for infants and toddlers with developmental disabilities	1,222,769
	Additional aging services funding for expanding access to COVID-19 vaccines and other services	408,836
	Supplemental nutrition assistance program increased benefit levels	3,600,000
	Pandemic electronic benefits transfer funding to provide food assistance to children who normally received free or reduced lunches at school	6,600,000
	Homeowner assistance program for financial assistance for homeowners	50,000,000
Total - Department of Human Services		\$241,689,840
Adjutant General	Funding to assist state, local, territorial, and tribal governments in preparing and responding to disasters	\$887,873
Department of Commerce	State Small Business Credit Initiative program	\$56,234,176
Council on the Arts	Grants to nonprofit arts organizations to support operations	\$759,060
Department of Transportation	Capital, operating, and administrative assistance to state agencies, political subdivisions, and nonprofit organizations, and operators of public transportation services	\$628,855
	Public transportation intercity bus apportionment	865,298
	Enhanced mobility services to assist older individuals and individuals with a disability	115,204
	Road and bridge capital infrastructure projects	317,000,000
Total - Department of Transportation		\$318,609,357
Grand total - Federal funds		\$1,079,148,109

The Senate also appropriated this funding with the exception of \$50 million for a homeowner assistance program in the Department of Human Services, \$1,999,661 for a homeless children and youth program in the Department of Public Instruction, and the appropriation to the Department of Commerce.

HB 1395 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. DELZER MOVED** that the conference committee report on HB 1395 be adopted, which motion prevailed on a voice vote.

HB 1395, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1395:** A BILL for an Act to adjust state agency spending authority approved by the emergency commission and budget section; to provide a statement of legislative intent; to provide an appropriation; to provide an exemption; to provide for retroactive application; 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 85 YEAS, 3 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Becker; Beltz; Boe; Bosch; Boschee;

Brandenburg; Buffalo; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Hoverson; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Klemin; Koppelman, B.; Kreidt; Lefor; Longmuir; Louser; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Christensen; Ertelt; Magrum

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich; Ostlie

Engrossed HB 1395 passed and the emergency clause was declared carried.

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

**REP. MOCK MOVED** that the conference committee report on Engrossed HB 1004 as printed on HJ pages 2024-2028 be adopted.

#### **REQUEST**

**REP. MOCK REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed HB 1004, the conference committee report on Engrossed HB 1004 was rejected on a verification vote.

#### **MOTION**

**REP. LOUSER MOVED** that Rep. Pollert replace Rep. Delzer on the Conference Committee on HB 1380, which motion prevailed on a voice vote.

#### **ANNOUNCEMENT**

**SPEAKER K. KOPPELMAN ANNOUNCED** that the House stand in recess until 4:00 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker K. Koppelman presiding.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2011, SB 2245.

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

**SB 2245, as engrossed:** Your conference committee (Sens. Krebsbach, Davison, Rust and Reps. J. Nelson, D. Johnson, Brandenburg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1223-1225, adopt amendments as follows, and place SB 2245 on the Seventh order:

That the House recede from its amendments as printed on pages 1223-1225 of the Senate Journal and pages 1403-1405 of the House Journal and that Engrossed Senate Bill No. 2245 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation to the agriculture commissioner for an intermodal facility grant program; and to declare an emergency.

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

#### **SECTION 1. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - INTERMODAL FACILITY CONSTRUCTION GRANT PROGRAM - ONE-TIME FUNDING.**

There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to



**Department 601 - Department of Commerce - Detail of Conference Committee Changes**

	Removes Funding for Intermodal Transportation Assistance Program <sup>1</sup>	Total Conference Committee Changes
Intermodal transportation assistance	(\$10,000,000)	(\$10,000,000)
Total all funds	(\$10,000,000)	(\$10,000,000)
Less estimated income	(10,000,000)	(10,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$10 million from the strategic investment and improvements fund appropriated by the Senate to the Department of Commerce for an intermodal transportation assistance program is removed. The House also removed this appropriation.

**Senate Bill No. 2245 - Department of Agriculture - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Intermodal facility grants			\$2,000,000	\$2,000,000	\$2,500,000	(\$500,000)
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$2,500,000	(\$500,000)
Less estimated income	0	0	2,000,000	2,000,000	2,500,000	(500,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 602 - Department of Agriculture - Detail of Conference Committee Changes**

	Adds One-Time Funding for Intermodal Grant Program <sup>1</sup>	Total Conference Committee Changes
Intermodal facility grants	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income	2,000,000	2,000,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$2 million from the federal Coronavirus Capital Projects Fund is appropriated to the Agriculture Commissioner for an intermodal facility construction grant program. Grants may be awarded only to an organization dedicated to the expansion of rail capacity at an existing intermodal facility in the state connected to and served by a Class I railroad. Grant funds may be used only to pay for capital costs associated with engineering, labor, equipment, and materials related to rail track expansion. An emergency clause is added.

The House provided a \$2.5 million appropriation to the Agriculture Commissioner from the beginning farmer revolving loan fund. The House's amendments, which were not approved by the Conference Committee, included a provision that if facility assets are sold, all or a portion of the grant amount must be repaid.

Engrossed SB 2245 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. J. NELSON MOVED** that the conference committee report on Engrossed SB 2245 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2245, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2245:** A BILL for an Act to provide an appropriation to the agriculture commissioner for an intermodal facility grant program; 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 82 YEAS, 6 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Becker; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Christensen; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Hoverson; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Ertelt; Keiser; Koppelman, B.; Magrum; Nelson, M.; Paur

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich; Ostlie

Engrossed SB 2245, as amended, passed and the emergency clause was declared carried.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2011, as engrossed:** Your conference committee (Sens. Krebsbach, Davison, Heckaman and Reps. Howe, Meier, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1425-1428, adopt amendments as follows, and place SB 2011 on the Seventh order:

That the House recede from its amendments as printed on pages 1425-1428 of the Senate Journal and pages 1619-1621 of the House Journal and that Engrossed Senate Bill No. 2011 be amended as follows:

Page 1, line 2, replace "and" with "to repeal subdivision b of subsection 5 of section 39-08-13 of the North Dakota Century Code, relating to accident report forms;"

Page 1, line 2, after "transfer" insert "; to provide an exemption; and to declare an emergency"

Page 1, replace lines 11 through 15 with:

"Highway patrol	<u>\$59,586,945</u>	<u>\$4,224,469</u>	<u>\$63,811,414</u>
Total all funds	\$59,586,945	\$4,224,469	\$63,811,414
Less estimated income	<u>15,373,370</u>	<u>12,110,282</u>	<u>27,483,652</u>
Total general fund	\$44,213,575	(\$7,885,813)	\$36,327,762
Full-time equivalent positions	197.00	(4.00)	193.00"

Page 2, replace lines 2 through 5 with:

"Commercial motor carrier system		<u>0</u>	<u>275,000</u>
Total all funds		\$1,907,158	\$1,698,000
Less estimated income		<u>1,825,328</u>	<u>1,698,000</u>
Total general fund		\$81,830	\$0"

Page 2, after line 9, insert:

**"SECTION 3. APPROPRIATION - 2019-21 BIENNIUM - FEDERAL CORONAVIRUS RELIEF FUND - SPENDING RESTRICTION.** There is appropriated from federal funds derived from the federal coronavirus relief fund, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the highway patrol for law enforcement officer payroll costs for the period beginning January 1, 2021, and ending June 30, 2021. The funding appropriated in this section replaces existing legislative appropriations. The highway patrol may not spend the

funding appropriated from the general fund and highway tax distribution fund for law enforcement payroll costs during the period identified.

**SECTION 4. ESTIMATED INCOME - FEDERAL CORONAVIRUS RELIEF FUND.** The estimated income line item in section 1 of this Act includes the sum of \$8,100,000, or so much of the sum as may be necessary, from the federal coronavirus relief fund for law enforcement officer payroll costs for the period beginning July 1, 2021, and ending December 31, 2021."

Page 2, line 11, replace "\$8,538,213" with "\$9,346,781"

Page 2, after line 15, insert:

**"SECTION 6. SALARY EQUITY FUNDING.** Section 1 of this Act includes the sum of \$2,092,500 for salary equity funding, on-call pay, and location incentive pay. This amount, along with any funding available from agency operational savings that may be reallocated, may be used for:

1. Salary equity adjustments that may not exceed \$1,532,000 in total for the biennium;
2. Law enforcement officer on-call pay that may not exceed 25 percent of the officer's hourly salary for regular on-call duties and may not exceed 50 percent of the officer's hourly salary for emergency on-call duties; and
3. Location incentive pay based on existing agency policies."

Page 2, line 18, replace "\$1,706,450" with "\$3,147,244"

Page 2, replace lines 21 through 24 with:

**"SECTION 8. EXEMPTION.** The sum of \$50,530 from the general fund appropriated in section 1 of chapter 11 of the 2019 Session Laws is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 3, after line 2, insert:

**"SECTION 10. REPEAL.** Subdivision b of subsection 5 of section 39-08-13 of North Dakota Century Code is repealed.

**SECTION 11. EMERGENCY.** Sections 3 and 10 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2011 - Highway Patrol - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Highway Patrol	\$59,586,945	\$89,272,228	(\$25,460,814)	\$63,811,414	\$62,591,007	\$1,220,407
Total all funds	\$59,586,945	\$89,272,228	(\$25,460,814)	\$63,811,414	\$62,591,007	\$1,220,407
Less estimated income	15,373,370	43,859,434	(16,375,782)	27,483,652	25,513,245	1,970,407
General fund	\$44,213,575	\$45,412,794	(\$9,085,032)	\$36,327,762	\$37,077,762	(\$750,000)
FTE	197.00	193.00	0.00	193.00	193.00	0.00

## Department 504 - Highway Patrol - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts Salaries Funding Source <sup>2</sup>	Adjusts Salary Equity and Other Funding <sup>3</sup>	Adds Funding for CVIEW System <sup>4</sup>	Removes Funding for Training Academy <sup>5</sup>	Adjusts Funding Sources of One-Time Funding <sup>6</sup>
Highway Patrol	(\$92,314)		\$1,326,500	\$405,000	(\$27,100,000)	
Total all funds	(\$92,314)	\$0	\$1,326,500	\$405,000	(\$27,100,000)	\$0
Less estimated income	(18,042)	6,966,000	1,985,260	405,000	(27,100,000)	1,386,000
General fund	(\$74,272)	(\$6,966,000)	(\$658,760)	\$0	\$0	(\$1,386,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Highway Patrol	(\$25,460,814)
Total all funds	(\$25,460,814)
Less estimated income	(16,375,782)
General fund	(\$9,085,032)
FTE	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

<sup>2</sup> Federal coronavirus relief funding of \$8,100,000 is appropriated for law enforcement officer salaries for the period beginning July 1, 2021, and ending December 31, 2021. Funding for salaries is reduced from the general fund (\$6,966,000) and highway tax distribution fund (\$1,134,000). Funding of \$8,100,000 from the federal Coronavirus Relief Fund is also appropriated in Section 3 of the bill for law enforcement officer salaries for the period beginning January 1, 2021, and ending June 30, 2021, resulting in additional general fund unspent appropriations (turnback) of \$6,966,000 and highway tax distribution fund unspent appropriations of \$1,134,000. The House also made these funding adjustments.

<sup>3</sup> Funding from the highway tax distribution fund is added and general fund support is removed to provide \$2,092,500, for salary equity funding, on-call pay, and location incentive pay. A section is added to preclude the Highway Patrol from expending more than \$1,532,000 for salary equity adjustments and to allow the Highway Patrol to also use operational savings for these purposes.

The Senate provided total equity funding of \$766,000 and the House provided total equity funding of \$872,093. The House also added a section to provide the equity funding, along with any agency budget savings, may be used to provide total equity adjustments for the biennium of \$1,125,000, to provide on-call pay, and to provide location incentive pay.

<sup>4</sup> Ongoing funding from federal funds (\$110,500) and the motor carrier electronic permit transaction fund (\$19,500) is added for costs to participate in the Commercial Vehicle Information Exchange Window motor carrier system. One-time funding of \$275,000 of federal funding is also added to implement the program. The House also added this funding.

<sup>5</sup> One-time funding from the strategic investment and improvements fund added by the Senate for the Law Enforcement Training Academy project is removed. The House also removed this funding.

<sup>6</sup> Funding for hard body armor and body and in-car cameras is adjusted as follows:

	Senate			Conference Committee
	General Fund	Highway Tax Distribution Fund	Total	Motor Carrier Electronic Permit Fund
Hard body armor	\$228,000	\$37,000	\$265,000	\$265,000
Cameras	1,158,000		1,158,000	1,158,000
Total	\$1,386,000	\$37,000	\$1,423,000	\$1,423,000

The House made the same adjustments as the Conference Committee.

This amendment also:

- Adjusts sections identifying the amount of funding appropriated from the highway tax distribution fund and motor carrier electronic permit transaction fund.
- Removes a section identifying funding to be used from the strategic investment and improvements fund for the Law Enforcement Training Academy project. The House also removed this section.
- Adds a section to authorize the carryover of \$50,530 of unused 2019-21 biennium appropriations into the 2021-23 biennium. This will reduce Highway Patrol turnback by an estimated \$50,530. The House also added this section.
- Repeals subdivision b of subsection 5 of North Dakota Century Code Section 39-08-13 relating to accident report forms, and declares an emergency. Neither the House nor the Senate included this repeal.

Engrossed SB 2011 was placed on the Seventh order of business on the calendar.

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

**REP. MOCK MOVED** that the conference committee report on Engrossed SB 2011 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2011, as amended, was placed on the Fourteenth order of business.

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

**SB 2011:** A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol; to provide a report; to repeal subdivision b of subsection 5 of section 39-08-13 of the North Dakota Century Code, relating to accident report forms; to provide for a transfer; to provide an exemption; 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 84 YEAS, 4 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Becker; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Christensen; Cory; Damschen; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Hoverson; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kiefert; Klemin; Koppelman, B.; Kreidt; Lefor; Longmuir; Louser; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Delzer; Ertelt; Keiser; Magrum

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich; Ostlie

Engrossed SB 2011, as amended, passed and the emergency clause was declared carried.

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#### **MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2014.

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

**SB 2014, as engrossed:** Your conference committee (Sens. Sorvaag, Mathern, Hogue and Reps. Howe, Brandenburg, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1414-1420, adopt amendments as follows, and place SB 2014 on the Seventh order:

That the House recede from its amendments as printed on pages 1414-1420 of the Senate

Journal and pages 1573-1580 of the House Journal and that Engrossed Senate Bill No. 2014 be amended as follows:

Page 1, line 2, remove "a new section to chapter"

Page 1, line 3, remove "6-09.4 and"

Page 1, line 4, remove "bonded debt repayments and"

Page 1, line 5, remove "sections 6-09-49, 6-09.4-06, 6-09.4-10, 6-09.16-02, 6-09.16-03, 6-09.16-05, 15-11-40,"

Page 1, line 6, replace "50-30-04, 54-17-40, and 57-51.1-07.9" with "subsection 1 of section 6-09-49, as amended by section 1 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, section 6-09-49, a new section to chapter 6-09, as created by section 2 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, section 6-09.4-05.1, section 6-09.4-06, as amended by section 3 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, section 15-11-40, subsection 6 of section 17-05-08, subsection 1 of section 38-22-14, subsection 1 of section 38-22-15, and sections 54-17-40 and 57-51.1-07.9"

Page 1, line 6, after "Code" insert "and section 7 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly"

Page 1, line 6, remove the second "the"

Page 1, remove lines 7 and 8

Page 1, line 9, replace "energy research center, and the housing incentive fund; to provide a continuing appropriation" with "to the infrastructure revolving loan fund, the water infrastructure revolving loan fund, the state energy research center, transmission authority projects, public finance authority bonding, carbon dioxide storage fees, the housing incentive fund, and a bond issue limitation"

Page 1, line 12, remove "and"

Page 1, line 13, after "report" insert "; and to provide an expiration date"

Page 2, replace line 1 with:

"Salaries and wages	\$23,409,450	\$288,669	\$23,698,119"
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Page 2, replace lines 6 through 8 with:

"Total all funds	\$39,977,988	\$10,987,070	\$50,965,058
Less estimated income	<u>12,723,790</u>	<u>11,645,395</u>	<u>24,369,185</u>
Total general fund	\$27,254,198	(\$658,325)	\$26,595,873"

Page 2, replace lines 14 through 17 with:

"Bank of North Dakota operations	\$62,847,799	\$3,433,380	\$66,281,179
Capital assets	<u>1,510,000</u>	<u>0</u>	<u>1,510,000</u>
Total special funds	\$64,357,799	\$3,433,380	\$67,791,179
Full-time equivalent positions	181.50	(8.50)	173.00"

Page 2, replace line 22 with:

"Salaries and wages	\$8,509,015	\$1,047,257	\$9,556,272"
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Page 2, replace lines 27 and 28 with:

"Total special funds	\$47,421,891	\$11,503,641	\$58,925,532
Full-time equivalent positions	44.00	5.00	49.00"

Page 3, replace lines 13 through 15 with:

"Grand total general fund	\$27,254,198	(\$658,325)	\$26,595,873
Grand total special funds	<u>201,498,304</u>	<u>37,964,801</u>	<u>239,463,105</u>
Grand total all funds	\$228,752,502	\$37,306,476	\$266,058,978"

Page 3, after line 26 insert:

"Housing finance agency - housing assessment	0	35,000"
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Page 3, replace lines 28 through 30 with:

"Total all funds	\$12,965,000	\$141,206
Less estimated income	<u>5,270,000</u>	<u>35,000</u>
Total general fund	\$7,695,000	\$106,206"

Page 4, line 30, replace "\$15,000,000" with "\$9,500,000"

Page 5, line 3, remove "**APPROPRIATION - GENERAL FUND -**"

Page 5, line 3, after "**TRANSFER**" insert "**STRATEGIC INVESTMENT AND IMPROVEMENTS FUND**"

Page 5, line 4, remove "**- INTENT**"

Page 5, line 4, remove "There is appropriated out of any moneys in the general fund in"

Page 5, remove line 5

Page 5, line 6, replace "as may be necessary, which the office of management and budget shall transfer" with "The office of management and budget shall transfer the sum of \$9,500,000 from the strategic investment and improvements fund"

Page 5, line 7, remove "The"

Page 5, remove lines 8 through 26

Page 5, line 28, replace "\$1,215,980" with "\$1,214,768"

Page 7, line 19, replace "\$14,000,000" with "\$9,500,000"

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 31

Page 12, remove lines 1 through 31

Page 13, remove lines 1 through 31

Page 14, remove lines 1 through 30

Page 15, remove lines 1 through 29

Page 16, remove lines 1 through 31

Page 17, replace lines 1 through 11 with:

**"SECTION 15. OIL AND GAS RESEARCH FUND - EXEMPTION - ENERGY AND ENVIRONMENTAL RESEARCH CENTER - STUDY OF HYDROGEN.**

Pursuant to the continuing appropriation in section 57-51.1-07.3 and notwithstanding any policies developed by the oil and gas research council requiring matching funds,

the industrial commission shall use \$500,000, or so much of the sum as may be necessary, from the oil and gas research fund to contract with the energy and environmental research center for a study regarding the development and implementation of hydrogen energy in the state. The study must include a plan for the development and implementation of hydrogen energy and must include consideration of existing resources, methods of production and delivery, and potential uses of hydrogen. The study may include estimates of the cost and timeline to develop infrastructure for hydrogen energy and the use of public and private partnerships to assist in the development of infrastructure for hydrogen energy. During the 2021-22 interim, the energy and environmental research center shall provide at least one report to the legislative management regarding the study.

**SECTION 16. AMENDMENT.** Subsection 1 of section 6-09-49 of the North Dakota Century Code, as amended by section 1 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate ~~starting at two percent per year and increasing by one percent every five years, up to a maximum rate of five percent per year~~ that does not exceed two percent per year.

**SECTION 17. AMENDMENT.** Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

**6-09-49. Infrastructure revolving loan fund - Continuing appropriation.**

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is the lesser of thirty years or the useful life of the project. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
2. For purposes of this section, "essential infrastructure projects" means capital construction projects ~~to construct new infrastructure or replace existing infrastructure, which provide the fixed installations necessary for the function of a political subdivision. Capital construction projects exclude routine maintenance and repair projects, but include the following:~~
  - a. The Red River valley water supply project;
  - b. ~~New or replacement of existing water~~ Water treatment plants;
  - c. ~~New or replacement of existing wastewater~~ Wastewater treatment plants;
  - d. ~~New or replacement of existing sewer lines and water lines~~ Sewerlines and waterlines, including lift stations and pumping systems; and
  - e. ~~New or replacement of existing storm water and transportation~~ Storm water infrastructure, including curb and gutter construction;
  - f. Water storage systems, including dams, water tanks, and water towers;

- g. Road and bridge infrastructure, including paved and unpaved roads and bridges;
  - h. Airport infrastructure;
  - i. Electricity transmission infrastructure;
  - j. Natural gas transmission infrastructure;
  - k. Communications infrastructure;
  - l. Emergency services facilities, excluding hospitals; and
  - m. Critical political subdivision buildings and infrastructure.
3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum outstanding loan amount ~~for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. A qualified applicant under this section may have a maximum combined total of forty million dollars in outstanding loans under this section and section 6-09-49.1.~~ The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
  4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
  5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.
  6. If a political subdivision applies for a loan under this section for a county road or bridge project, the department of transportation shall review and approve the project before the Bank may issue a loan. If a political subdivision applies for a loan under this section for a water-related project, the state water commission shall review and approve the project before the Bank may issue a loan. The department of transportation and state water commission may develop policies for reviewing and approving projects under this section.

**SECTION 18. AMENDMENT.** A new section to chapter 6-09 of the North Dakota Century Code, as created by section 2 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**Water infrastructure revolving loan fund - State water commission - Continuing appropriation.**

1. There is created in the state treasury the water infrastructure revolving loan fund to provide loans for water supply, flood protection, or other water development and water management projects. The fund consists of moneys transferred into the fund, interest earned on moneys in the fund, and principal and interest payments to the fund. All moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis for loan disbursements and administrative costs.

2. The state water commission shall approve eligible projects for loans from the water infrastructure loan fund. The state water commission shall consider the following when evaluating eligible projects:
  - a. A description of the nature and purposes of the proposed infrastructure project, including an explanation of the need for the project, the reasons why the project is in the public interest, and the overall economic impact of the project.
  - b. The estimated cost of the project, the amount of loan funding requested, and other proposed sources of funding.
  - c. The extent to which completion of the project will provide a benefit to the state or regions within the state.
3. Projects not eligible for the state revolving funds under chapters 61-28.1 and 61-28.2 must be given priority for loans from the water infrastructure revolving loan fund.
4. In consultation with the state water commission, the Bank of North Dakota shall develop policies for the review and approval of loans under this section. Loans made under this section must be made at the same interest rate as the revolving loan funds established under chapters 61-28.1 and 61-28.2.
5. The Bank of North Dakota shall manage and administer loans from the water infrastructure loan fund. The Bank shall deposit in the fund all principal and interest paid on loans made from the fund. Annually, the Bank may deduct ~~one-quarter~~one-half of one percent of the outstanding loan balance as a service fee for administering the water infrastructure revolving loan fund. The Bank shall contract with a certified public accounting firm to audit the fund. The cost of the audit must be paid from the fund.

**SECTION 19. AMENDMENT.** Section 6-09.4-05.1 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.4-05.1. Administrative agreements with state agencies.**

The public finance authority and any state agency authorized by state or federal law to make an allocation of bonds or bonding authority or to make loans, or to issue bonds to obtain funds for the purpose of making loans, ~~to political subdivisions or grants~~, may enter into an administrative agreement, which may authorize the public finance authority to administer the loan or bond program for the state agency. The agreement may delegate to the public finance authority the authority to make loans, or to issue bonds to obtain funds for the purpose of making loans, ~~to political subdivisions or grants~~.

**SECTION 20. AMENDMENT.** Section 6-09.4-06 of the North Dakota Century Code, as amended by section 3 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**6-09.4-06. Lending and borrowing powers generally.**

1. The public finance authority may lend money to political subdivisions or other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that

- authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.
2. The public finance authority may lend money to the Bank of North Dakota under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for assistance under the revolving loan fund program established by chapter 61-28.2.
  3. The public finance authority may transfer money to the Bank of North Dakota for allocations to infrastructure projects and programs. Bonds issued for these purposes are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from a reserve fund established for the bonds. ~~This section may not be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or to replenish a related reserve fund. The bonds are not a debt of the Bank of North Dakota or the state. The full faith, credit, and taxing powers of the state are not pledged to the payment of the bonds. As of the date appropriated funds and reserves are not sufficient to pay debt service on the bonds, the obligation of the public finance authority with respect to the bonds must terminate, and the bonds are no longer outstanding. In addition to providing funds for the transfers, the public finance authority may use the bond proceeds to pay the costs of issuance of the bonds and establish a reserve fund for the bonds. Neither the obligation of the state to pay the bonds nor the obligation of the issuer to pay debt service will constitute a debt of the state or any agency or political subdivision of the state within the meaning of any constitutional or statutory provision. The issuance of the bond does not directly or contingently obligate the state to pay the bond payments beyond the appropriation for the current biennium of the state. The issuer has no taxing power. In addition to providing funds for the transfers, the public finance authority may use the bond proceeds to pay the costs of issuance of the bonds, capitalized interest, and establish a reserve fund for the bonds.~~
  4. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal or the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
  5. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this

chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

**SECTION 21. AMENDMENT.** Section 15-11-40 of the North Dakota Century Code is amended and reenacted as follows:

**15-11-40. State energy research center - Report. (Effective through June 30, ~~2023~~2027)**

1. The state energy research center at the university of North Dakota energy and environmental research center is created for the purpose of conducting exploratory, transformational, and innovative research that advances future energy opportunities and benefits the state's economy and environment through:
  - a. Exploratory research of technologies and methodologies that facilitate the prudent development, and clean and efficient use, of the state's energy resources;
  - b. Greater access to energy experts for timely scientific and engineering studies to support the state's interests; and
  - c. Education and outreach related to the state's energy resources.
2. The state energy research center shall report all research activities and accomplishments annually to the interim legislative energy development and transmission committee and to the industrial commission. Upon request, the state energy research center shall report all research activities and accomplishments to the appropriations committees of the legislative assembly.
3. To effectuate the purposes of this section, the energy and environmental research center may:
  - a. Select the research topics and projects to be pursued;
  - b. Enter contracts or agreements with other North Dakota institutions of higher education to support select research topics and projects;
  - c. Enter contracts or agreements with federal, private, and nonprofit organizations to carry out selected research topics and projects; and
  - d. Accepting donations, grants, contributions, and gifts from any source to carry out the selected research topics and projects.
4. The state energy research center may not conduct research or pursue projects that will result in the exploration, storage, treatment, or disposal of high-level radioactive waste in North Dakota.

**SECTION 22. AMENDMENT.** Subsection 6 of section 17-05-08 of the North Dakota Century Code is amended and reenacted as follows:

6. The commission may approve a resolution for the issuance of bonds as provided in this section which states in substance that this subsection is applicable to any required debt service reserve for bonds issued under that resolution in an aggregate amount not to exceed two hundred forty million dollars plus costs of issuance, credit enhancement, and any reserve funds required by agreements with or for the benefit of holders of the evidences of indebtedness for the purposes for which the authority is created under this chapter. The amount of any refinancing, however, may not be counted toward the two hundred forty million dollar limitation to the extent the amount does not exceed the outstanding amount of the obligations being refinanced. No more than thirty percent of the total project costs or the appraised value, whichever is greater, for any single transmission facility project may be financed by bonds issued under this

section which are supported by the debt service reserve fund approved by the commission under this subsection. To ensure the maintenance of the required debt service reserve fund approved by the commission under this subsection, the legislative assembly shall appropriate and pay to the authority for deposit in the reserve fund any sum, certified by the commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve fund approved by the commission.

**SECTION 23. AMENDMENT.** Subsection 1 of section 38-22-14 of the North Dakota Century Code is amended and reenacted as follows:

1. Storage operators shall pay the commission a fee on each ton of carbon dioxide injected for storage. The fee must be in the amount set by commission rule. The amount must be based on the contribution of the storage facility and the source of the carbon dioxide to the energy and agriculture production economy of North Dakota and the commission's anticipated expenses that it will incur in regulating storage facilities during their construction, operational, and preclosure phases.

**SECTION 24. AMENDMENT.** Subsection 1 of section 38-22-15 of the North Dakota Century Code is amended and reenacted as follows:

1. Storage operators shall pay the commission a fee on each ton of carbon dioxide injected for storage. The fee must be in the amount set by commission rule. The amount must be based on the contribution of the storage facility and the source of the carbon dioxide to the energy and agriculture production economy of North Dakota and the commission's anticipated expenses associated with the long-term monitoring and management of a closed storage facility."

Page 19, line 17, remove the overstrike over "~~Effective~~ "

Page 19, line 18, remove the overstrike over "~~through June 30,~~"

Page 19, line 18, after "~~2023~~" insert "2027"

Page 19, line 18, remove the overstrike over the overstruck closing parenthesis

Page 19, after line 25, insert:

**"SECTION 28. AMENDMENT.** Section 7 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**SECTION 7. PUBLIC FINANCE AUTHORITY - BOND ISSUE LIMITATION - BANK OF NORTH DAKOTA - APPROPRIATION.**

1. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority only may issue bonds under this Act to provide up to \$680,000,000 of ~~bonds~~funds for transfer to the Bank of North Dakota for allocations to infrastructure projects and programs, for the biennium beginning July 1, 2021, and ending June 30, 2023.
2. The term of any bonds issued under this section may not exceed twenty years. The public finance authority may issue bond anticipation notes or borrow from the Bank to support the allocations to infrastructure projects and programs prior to a bond issue. ~~The public finance authority shall make available up to ten percent of the bonds for sale directly to North Dakota residents and financial institutions~~The state investment board may purchase the bonds as investments for the funds under its management.
3. After payment of any issuance costs, capitalized interest, or any transfers to a reserve fund, \$680,000,000 from the bond proceeds issued by the public finance authority is appropriated to the Bank of

North Dakota for allocations to infrastructure projects and programs, for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

- a. \$435,500,000 for the Fargo diversion project;
- b. \$74,500,000 to the resources trust fund;
- c. \$50,000,000 to the infrastructure revolving loan fund under section 6-09-49;
- d. \$70,000,000 to the highway fund; and
- e. \$50,000,000 to North Dakota state university, which is appropriated to North Dakota state university, for an agriculture products development center including a northern crops institute project."

Page 20, line 8, replace "\$16,000,000" with "\$14,500,000"

Page 20, after line 9, insert:

**"SECTION 32. EXEMPTION - SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** Notwithstanding the requirements under section 15.1-36-08 to use the moneys in the fund for loan disbursements and administrative expenses and pursuant to the continuing appropriation authority under section 15.1-36-08, \$2,500,000, or so much of the sum as may be necessary, is available from the school construction assistance revolving loan fund to the Bank of North Dakota to provide interest rate buydowns associated with loans issued under section 15.1-36-06, for the biennium beginning July 1, 2021, and ending June 30, 2023. In addition, subject to sufficient funding being available for loans to local school districts, the Bank of North Dakota may utilize funding from the school construction assistance revolving loan fund to repay a portion of the outstanding principal balance of loans issued under section 15.1-36-06 for the purpose of transferring a portion of the loans issued under that section from the Bank of North Dakota to the school construction assistance revolving loan fund, for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 20, after line 23, insert:

**"SECTION 35. LEGISLATIVE MANAGEMENT STUDY - LONG-TERM CARE FACILITY DEBT.**

1. During the 2021-22 interim, the legislative management shall consider studying the levels of debt associated with long-term care facilities in the state. The study must include consideration of the following:
  - a. The current debt of long-term care facilities and the potential debt that may be incurred in the next ten years by long-term care facilities;
  - b. The status of existing loan programs to assist long-term care facilities, including Bank of North Dakota loan programs and the United States department of agriculture rural loan program; and
  - c. Any potential cost-savings for the state and private payers resulting from lower interest rates associated with loans to long-term care facilities.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 36. BANK OF NORTH DAKOTA LOAN PROGRAMS - REPORT TO LEGISLATIVE MANAGEMENT.** During the 2021-22 interim, the Bank of North

Dakota shall provide at least one report to the legislative management regarding the status of the infrastructure revolving loan fund under section 6-09-49, the legacy infrastructure loan fund under section 6-09-49.1, and the water infrastructure revolving loan fund under section 16 of this Act. The report must include information regarding the types of projects funded with the loans, outstanding loans, and new loans issued, and the report must identify outstanding loans and new loans by communities with a population of less than five thousand and by communities with a population of at least five thousand."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2014 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Industrial Commission						
Total all funds	\$39,977,988	\$65,212,937	(\$14,247,879)	\$50,965,058	\$50,965,058	\$0
Less estimated income	12,723,790	24,371,687	(2,502)	24,369,185	24,369,185	0
General fund	\$27,254,198	\$40,841,250	(\$14,245,377)	\$26,595,873	\$26,595,873	\$0
FTE	112.25	108.25	0.00	108.25	108.25	0.00
Bank of North Dakota						
Total all funds	\$64,357,799	\$167,604,371	(\$99,813,192)	\$67,791,179	\$67,313,252	\$477,927
Less estimated income	64,357,799	167,604,371	(99,813,192)	67,791,179	67,313,252	477,927
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	181.50	171.50	1.50	173.00	169.50	3.50
Housing Finance Agency						
Total all funds	\$47,421,891	\$74,006,784	(\$5,581,252)	\$68,425,532	\$58,850,955	\$9,574,577
Less estimated income	47,421,891	59,006,784	(81,252)	58,925,532	58,850,955	74,577
General fund	\$0	\$15,000,000	(\$5,500,000)	\$9,500,000	\$0	\$9,500,000
FTE	44.00	49.00	0.00	49.00	48.00	1.00
Mill and Elevator						
Total all funds	\$76,994,824	\$88,377,209	\$0	\$88,377,209	\$88,377,209	\$0
Less estimated income	76,994,824	88,377,209	0	88,377,209	88,377,209	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	156.00	156.00	0.00	156.00	156.00	0.00
Bill total						
Total all funds	\$228,752,502	\$395,201,301	(\$119,642,323)	\$275,558,978	\$265,506,474	\$10,052,504
Less estimated income	201,498,304	339,360,051	(99,896,946)	239,463,105	238,910,601	552,504
General fund	\$27,254,198	\$55,841,250	(\$19,745,377)	\$36,095,873	\$26,595,873	\$9,500,000
FTE	493.75	484.75	1.50	486.25	481.75	4.50

#### Senate Bill No. 2014 - Industrial Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$23,409,450	\$23,945,998	(\$247,879)	\$23,698,119	\$23,698,119	
Operating expenses	5,830,227	5,125,558		5,125,558	5,125,558	
Capital assets		100,660		100,660	100,660	
Grants - Bond payments	10,508,767	22,040,721		22,040,721	22,040,721	
Contingencies	229,544					
Oil and gas research fund		14,000,000	(14,000,000)			
Total all funds	\$39,977,988	\$65,212,937	(\$14,247,879)	\$50,965,058	\$50,965,058	\$0
Less estimated income	12,723,790	24,371,687	(2,502)	24,369,185	24,369,185	0
General fund	\$27,254,198	\$40,841,250	(\$14,245,377)	\$26,595,873	\$26,595,873	\$0
FTE	112.25	108.25	0.00	108.25	108.25	0.00

### Department 405 - Industrial Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Underfunds Salaries and Wages <sup>2</sup>	Adjusts Oil and Gas Research Transfer <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$33,519)	(\$214,360)		(\$247,879)
Operating expenses				
Capital assets				
Grants - Bond payments				
Contingencies				
Oil and gas research fund			(\$14,000,000)	(14,000,000)
Total all funds	(\$33,519)	(\$214,360)	(\$14,000,000)	(\$14,247,879)
Less estimated income	(2,502)	0	0	(2,502)
General fund	(\$31,017)	(\$214,360)	(\$14,000,000)	(\$14,245,377)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

<sup>2</sup> Funding for salaries and wages is reduced for anticipated savings from vacant positions and employee turnover, the same as the House. The Senate did not underfund salaries and wages.

<sup>3</sup> A transfer of \$14 million from the general fund to the oil and gas research fund, which was added by the Senate, is removed and replaced with a transfer of \$9.5 million from the strategic investment and improvements fund to the oil and gas research fund. The House also removed the \$14 million transfer from the general fund and replaced it with a transfer of \$9.5 million from the strategic investment and improvements fund.

This amendment also:

- Removes authorization added by the Senate for the Public Finance Authority to issue up to \$100 million of bonds to support the long-term care facility loan fund. The House also removed this bonding authorization.
- Adjusts the transfer for administrative services related to salary increases to provide \$1,214,768, the same as the House. The Senate provided \$1,215,980.
- Amends a section from House Bill No. 1431 to maintain the interest rates for the infrastructure revolving loan fund at 2 percent rather than increasing them every 5 years up to a maximum rate of 5 percent. Neither the House nor the Senate included this change.
- Amends a section from House Bill No. 1431 to increase the administrative fee charged by the Bank on certain water loans from one-quarter of 1 percent to one-half of 1 percent. Neither the House nor the Senate included this change.
- Amends a section from House Bill No. 1431 to clarify the bonds issued by the Public Finance Authority for infrastructure projects and programs are not a debt of the state. Neither the House nor the Senate included this change.
- Amends a section from House Bill No. 1431 to clarify the bond limit applies to the amount authorized for transfer to other funds or programs and does not include bonding costs. Neither the House nor the Senate included this change.
- Clarifies the Public Finance Authority may make administrative agreements when distributing bond proceeds for loans or grants, the same as the House. The Senate did not provide this clarification.
- Allows the Industrial Commission to issue bonds to support North Dakota Transmission Authority projects with a limit of 30 percent of the total project cost or the appraised value, whichever is greater.
- Clarifies the fees for the carbon dioxide storage facility fund and the carbon dioxide trust fund to reflect the impact of a storage facility and the source of carbon dioxide, the same as the House. The Senate did not include the clarification related to carbon dioxide storage fees.
- Extends the expiration date on the State Energy Research Center to June 2027,

from June 2023. The Senate removed the expiration date, and the House retained the expiration date.

- Provides an increase of \$4.5 million related to oil and gas tax revenue allocations to the oil and gas research fund, of which \$4 million is available for additional research projects and \$500,000 is designated for the Energy and Environmental Research Center to conduct a study of hydrogen energy. The Senate increased the allocations to the oil and gas research fund by \$6 million, from \$10 million to \$16 million. The House did not provide an increase and maintained the current level of \$10 million.
- Adds a Legislative Management study regarding long-term care facility debt, which was not included by the Senate nor the House.

#### Senate Bill No. 2014 - Bank of North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Capital assets	\$1,510,000	\$1,510,000		\$1,510,000	\$1,510,000	
Bank of North Dakota operations	62,847,799	66,094,371	\$186,808	66,281,179	65,803,252	\$477,927
Bond proceeds		100,000,000	(100,000,000)			
Total all funds	\$64,357,799	\$167,604,371	(\$99,813,192)	\$67,791,179	\$67,313,252	\$477,927
Less estimated income	64,357,799	167,604,371	(99,813,192)	67,791,179	67,313,252	477,927
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	181.50	171.50	1.50	173.00	169.50	3.50

#### Department 471 - Bank of North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds FTE Positions <sup>2</sup>	Removes Bonding Proceeds <sup>3</sup>	Total Conference Committee Changes
Capital assets				
Bank of North Dakota operations	(\$18,018)	\$204,826		\$186,808
Bond proceeds			(\$100,000,000)	(100,000,000)
Total all funds	(\$18,018)	\$204,826	(\$100,000,000)	(\$99,813,192)
Less estimated income	(18,018)	204,826	(100,000,000)	(99,813,192)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	1.50	0.00	1.50

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

<sup>2</sup> One and one-half new undesignated FTE positions and \$204,826 are added to provide a total of 7.5 new undesignated FTE positions and \$1,024,128 to support future growth in the Bank of North Dakota's operations. The Senate added 6 new undesignated FTE positions and \$819,302. The House provided 4 new undesignated FTE positions and \$546,201.

<sup>3</sup> Funding of \$100 million from bond proceeds is removed, the same as the House. The Senate authorized bonds to be issued for transfer to the long-term care facility loan fund to support loans for long-term care facility construction projects.

This amendment also:

- Expands the infrastructure revolving loan fund to include additional eligible projects, longer loan terms, increases in the loan amounts, and approval by the Department of Transportation and the State Water Commission for road and water projects, respectively. The Senate included a similar expansion of the infrastructure revolving loan fund, but the House removed the expansion.
- Authorizes up to \$2.5 million from the school construction assistance revolving loan fund to continue interest rate buydowns on school construction loans held by the Bank of North Dakota, the same as the House. The Senate did not provide funding for the interest rate buydowns.
- Requires the Bank of North Dakota to report to the Legislative Management regarding the status of the infrastructure revolving loan fund, the legacy

infrastructure revolving loan fund, and the water infrastructure revolving loan fund. Neither the Senate nor the House included this report.

### Senate Bill No. 2014 - Housing Finance Agency - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$8,509,015	\$9,637,524	(\$81,252)	\$9,556,272	\$9,481,695	\$74,577
Operating expenses	5,346,276	6,144,060		6,144,060	6,144,060	
Capital assets		150,000		150,000	150,000	
Grants	33,466,600	42,975,200		42,975,200	42,975,200	
HFA contingencies	100,000	100,000		100,000	100,000	
Housing incentive fund		15,000,000	(5,500,000)	9,500,000		9,500,000
<b>Total all funds</b>	<b>\$47,421,891</b>	<b>\$74,006,784</b>	<b>(\$5,581,252)</b>	<b>\$68,425,532</b>	<b>\$58,850,955</b>	<b>\$9,574,577</b>
Less estimated income	47,421,891	59,006,784	(81,252)	58,925,532	58,850,955	74,577
General fund	\$0	\$15,000,000	(\$5,500,000)	\$9,500,000	\$0	\$9,500,000
FTE	44.00	49.00	0.00	49.00	48.00	1.00

### Department 473 - Housing Finance Agency - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts Funding for Salaries and Wages <sup>2</sup>	Adjusts a Housing Incentive Fund Transfer <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$6,675)	(\$74,577)		(\$81,252)
Operating expenses				
Capital assets				
Grants				
HFA contingencies				
Housing incentive fund			(\$5,500,000)	(5,500,000)
<b>Total all funds</b>	<b>(\$6,675)</b>	<b>(\$74,577)</b>	<b>(\$5,500,000)</b>	<b>(\$5,581,252)</b>
Less estimated income	(6,675)	(74,577)	0	(81,252)
General fund	\$0	\$0	(\$5,500,000)	(\$5,500,000)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the House. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

<sup>2</sup> Funding of \$74,577 is removed for a new FTE position added by the Senate to provide a total of 3 new FTE positions and \$641,539 to manage the residential mortgage loan program, which is being transferred from the Bank of North Dakota. The Senate added 3 new FTE positions and \$716,116 to manage the residential mortgage loan program, and the House added 2 new FTE positions and \$566,962.

<sup>3</sup> Funding of \$9.5 million from the general fund is transferred to the housing incentive fund. The Senate provided a transfer of \$15 million. The House removed the transfer.

This amendment also includes a section that adjusts the amount of funding in the housing incentive fund designated for developing communities and projects to prevent homelessness, the same as the Senate. The House removed the adjustment to the housing incentive fund.

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

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

Engrossed SB 2014, as amended, was placed on the Fourteenth order of business.

### SECOND READING OF SENATE BILL

**SB 2014:** A BILL for an Act to provide an appropriation for defraying the expenses of the industrial commission and the agencies under its control; to create and enact subsections 7 and 8 of section 54-17-07.3 of the North Dakota Century Code,

relating to housing finance agency programs; to amend and reenact subsection 1 of section 6-09-49, as amended by section 1 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, section 6-09-49, a new section to chapter 6-09, as created by section 2 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, section 6-09.4-05.1, section 6-09.4-06, as amended by section 3 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, section 15-11-40, subsection 6 of section 17-05-08, subsection 1 of section 38-22-14, subsection 1 of section 38-22-15, and sections 54-17-40 and 57-51.1-07.9 of the North Dakota Century Code and section 7 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, relating to the infrastructure revolving loan fund, the water infrastructure revolving loan fund, the state energy research center, transmission authority projects, public finance authority bonding, carbon dioxide storage fees, the housing incentive fund, and a bond issue limitation; to repeal section 54-17-07.12 of the North Dakota Century Code, relating to the housing finance agency participating as a wholesale servicing mortgage lender; to provide for a transfer; to provide an exemption; to provide a statement of legislative intent; to provide for a study; to provide for a legislative management report; 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 71 YEAS, 17 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hanson; Hatlestad; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; O'Brien; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Stemen; Strinden; Thomas; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Becker; Christensen; Delzer; Ertelt; Hauck; Hoverson; Koppelman, B.; Magrum; Marshall; Nelson, M.; Paur; Rohr; Ruby, D.; Ruby, M.; Schatz; Steiner; Toman

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Hagert; Kempenich; Ostlie

Engrossed SB 2014, as amended, passed.

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#### ANNOUNCEMENT

**SPEAKER K. KOPPELMAN ANOUNCED** that the House stand in recess until 6:00 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker K. Koppelman presiding.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1004, as engrossed:** Your conference committee (Sens. Oehlke, Piepkorn, Dever and Reps. Vigesaa, Mock, Howe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1563-1566, adopt amendments as follows, and place HB 1004 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1563-1566 of the House Journal and pages 1289-1293 of the Senate Journal and that Engrossed House Bill No. 1004 be amended as follows:

Page 1, line 1, replace "and" with a semicolon

Page 1, line 2, replace "section" with "sections"

Page 1, line 2, after "54-10-10" insert ", 54-10-14, and 54-10-27"

Page 1, line 3, after "auditor" insert ", political subdivision audits, and occupational and professional board audits; to provide for a prescription drug coverage performance audit; and to provide for legislative management reports"

Page 1, replace lines 12 through 18 with:

"Salaries and wages	\$12,668,218	\$455,341	\$13,123,559
Operating expenses	1,161,820	209,883	1,371,703
Information technology consultants	450,000	0	450,000
Total all funds	\$14,280,038	\$665,224	\$14,945,262
Less estimated income	4,173,178	1,652,974	5,826,152
Total general fund	\$10,106,860	(\$987,750)	\$9,119,110
Full-time equivalent positions	58.00	3.00	61.00"

Page 2, line 5, replace "thirteen" with "fourteen"

Page 2, line 6, replace "nine" with "four"

Page 2, line 6, replace "twenty-five" with "eighty-six"

Page 2, after line 6, insert:

**"SECTION 4. AMENDMENT.** Section 54-10-14 of the North Dakota Century Code is amended and reenacted as follows:

**54-10-14. Political subdivisions - Audits - Fees - Alternative audits and reports.**

1. The state auditor shall audit the following political subdivisions once every two years, except as provided in this section or otherwise by law:
  - a. Counties.
  - b. Cities, and when a city is audited, to include any political subdivision that was created by the city and has bonding authority.
  - c. Park districts.
  - d. School districts.
  - e. Firefighters relief associations.
  - f. Airport authorities.
  - g. Public libraries.
  - h. Water resource districts.
  - i. Garrison Diversion Conservancy District.
  - j. Rural fire protection districts.
  - k. Special education districts.
  - l. Area career and technology centers.
  - m. Correction centers.
  - n. Recreation service districts.
  - o. Weed boards.
  - p. Irrigation districts.
  - q. Rural ambulance service districts.

- r. Southwest water authority.
  - s. Regional planning councils.
  - t. Soil conservation districts.
  - u. Western area water supply authority industrial water sales on an annual basis.
2. The state auditor shall charge the political subdivision an amount equal to the fair value of the audit and any other services rendered. The fees must be deposited in the state auditor operating account. The state treasurer shall credit the state auditor operating account with the amount of interest earnings attributable to the deposits in that account. Expenses relating to political subdivision audits must be paid from the state auditor operating account, within the limits of legislative appropriation.
  3. In lieu of conducting an audit every two years, the state auditor may require annual reports from ~~school districts with less than one hundred enrolled students; cities with less than five hundred population; and other~~ political subdivisions subject to this section, or otherwise provided by law, with less than ~~three hundred~~ seven hundred fifty thousand dollars of annual receipts, excluding any federal funds passed through the political subdivision to another entity. If any federal agency performs or requires an audit of a political subdivision that receives federal funds to pass through to another entity, the political subdivision shall provide a copy to the state auditor upon request by the state auditor. The reports must contain the financial information required by the state auditor. The state auditor also may make any additional examination or audit determined necessary in addition to the annual report. When a report is not filed, the state auditor may charge the political subdivision an amount equal to the fair value of the additional examination or audit and any other services rendered. The state auditor may charge a political subdivision a fee not to exceed ~~eighty~~ eighty-six dollars an hour for the costs of reviewing the annual report.
  4. A political subdivision, at the option of its governing body, may be audited by a certified public accountant or licensed public accountant rather than by the state auditor. The public accountant shall comply with generally accepted government auditing standards for audits of political subdivisions. The report must be in the form and content required by the state auditor. The number of copies of the audit report requested by the state auditor must be filed with the state auditor when the public accountant delivers the audit report to the political subdivision. The state auditor shall review the audit report to determine if the report is in the required form and has the required content, and if the audit meets generally accepted government auditing standards. The state auditor also may periodically review the public accountant's workpapers to determine if the audit meets generally accepted government auditing standards. If the report is in the required form and has the required content, and the report and workpapers comply with generally accepted government auditing standards, the state auditor shall accept the audit report. The state auditor may charge the political subdivision a fee of up to ~~eighty~~ eighty-six dollars an hour, but not to exceed ~~five~~ seven hundred fifty dollars per review, for the related costs of reviewing the audit report and workpapers.
  5. A political subdivision may not pay a public accountant for an audit until the state auditor has accepted the audit. However, a political subdivision may make progress payments to the public accountant. A political subdivision shall retain twenty percent of any progress payment until the audit report is accepted by the state auditor.
  6. The state auditor may require the correction of any irregularities, objectionable accounting procedures, or illegal actions on the part of the

governing board, officers, or employees of the political subdivision disclosed by the audit report or workpapers, and failure to make the corrections must result in audits being resumed by the state auditor until the irregularities, objectionable accounting procedures, or illegal actions are corrected.

**SECTION 5. AMENDMENT.** Section 54-10-27 of the North Dakota Century Code is amended and reenacted as follows:

**54-10-27. Occupational and professional boards - Audits and reports.**

The governing board of any occupational or professional board shall provide for an audit once every two years by a certified public accountant or licensed public accountant. The accountant conducting the audit shall submit the audit report to the state auditor's office. If the report is in the form and style prescribed by the state auditor, the state auditor may not audit that board. An occupational or professional board may request the state auditor to conduct its audit, and if the state auditor agrees to conduct the audit, the state auditor shall deposit the fees charged to the occupational or professional board into the state auditor operating account. Instead of providing for an audit every two years, an occupational or professional board that has less than two hundred thousand dollars of annual receipts may submit an annual report to the state auditor. The report must contain the information required by the state auditor. The state auditor also may make any additional examination or audit determined necessary in addition to the annual report. When a report is not filed, the state auditor may charge the occupational or professional board an amount equal to the fair value of the additional examination or audit and any other services rendered. The state auditor may charge an occupational or professional board a fee not to exceed ~~fifty-eighty-six~~ dollars an hour for the costs of reviewing the annual report.

**SECTION 6. PUBLIC EMPLOYEES RETIREMENT SYSTEM - STATE AUDITOR - PRESCRIPTION DRUG COVERAGE PERFORMANCE AUDIT - REPORTS TO LEGISLATIVE MANAGEMENT.** In lieu of the requirement under section 54-52.1-04.16 that the public employees retirement system contract to conduct a prescription drug coverage performance audit of the main public employees retirement system health benefit plan for calendar year 2021, the state auditor shall contract in accordance with chapter 54-10 to conduct a prescription drug coverage performance audit of the main public employees retirement system health benefit plan during the 2021-22 interim, in the same manner as provided for under section 54-52.1-04.16, for calendar years 2019, 2020, and 2021. Audit fees, not to exceed \$375,000, for audits performed under this section must be on a flat fee or hourly basis and be paid by the public employees retirement system board. The state auditor shall provide reports to the legislative management regarding contracts to conduct prescription drug coverage performance audits, performance audit results, and audit reports issued."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1004 - State Auditor - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$12,668,218	\$11,880,488	\$1,243,071	\$13,123,559	\$13,289,084	(\$165,525)
Operating expenses	1,161,820	1,262,547	109,156	1,371,703	1,381,703	(10,000)
Information technology consultants	450,000	450,000		450,000	450,000	
Total all funds	\$14,280,038	\$13,593,035	\$1,352,227	\$14,945,262	\$15,120,787	(\$175,525)
Less estimated income	4,173,178	4,667,785	1,158,367	5,826,152	5,826,152	0
General fund	\$10,106,860	\$8,925,250	\$193,860	\$9,119,110	\$9,294,635	(\$175,525)
FTE	58.00	54.00	7.00	61.00	62.00	(1.00)

### Department 117 - State Auditor - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Local Government Division Audit Positions <sup>2</sup>	Restores Auditor IV Position <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	\$14,469	\$1,054,155	\$174,447	\$1,243,071
Operating expenses		99,156	10,000	109,156
Information technology consultants				
Total all funds	\$14,469	\$1,153,311	\$184,447	\$1,352,227
Less estimated income	5,056	1,153,311	0	1,158,367
General fund	\$9,413	\$0	\$184,447	\$193,860
FTE	0.00	6.00	1.00	7.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate version. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> Six FTE Local Government Division audit positions, including salaries and wages and operating expenses, are added to provide a total of 8 new Local Government Division audit positions, the same as the Senate version. Funding for operating expenses for each new audit position is increased from \$10,422 as provided by the House to \$15,000, the same as the Senate version. The House added 2 FTE Local Government Division audit positions, including salaries and wages (\$351,385) and operating expenses (\$20,844).

<sup>3</sup> One vacant FTE auditor IV position and related salaries and wages and operating expenses removed by the House is restored. The Senate restored 2 FTE vacant positions removed by the House.

This amendment also:

- Amends Section 3 to provide the statutory changes necessary to increase the State Auditor's salary from the current salary of \$110,582 to \$112,241 (1.5 percent) in fiscal year 2022, and to \$114,486 (2 percent) in fiscal year 2023, the same as the Senate version. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.
- Adds Section 4, the same as the Senate version, to increase the:
  - Threshold for political subdivisions to provide an annual report in lieu of an audit from \$300,000 of annual receipts to \$750,000 of annual receipts;
  - Hourly fee for the review of political subdivision annual reports from \$80 per hour to \$86 per hour;
  - Hourly fee for the review of political subdivision audit reports and workpapers from \$80 per hour to \$86 per hour;
  - Maximum fee for review of political subdivision audit reports and workpapers from \$500 per review to \$750 per review.
- Removes the population thresholds for political subdivision reports in the amendments in Section 4. This change was not part of the House or Senate version.
- Adds Section 5 to increase the hourly fee for the review of occupational and professional board annual reports from \$50 per hour to \$86 per hour, the same as the Senate version.
- Adds Section 6 to require the State Auditor contract to conduct prescription drug coverage performance audits of the main Public Employees Retirement System health benefit plan.

Engrossed HB 1004 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. MOCK MOVED** that the conference committee report on Engrossed HB 1004 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1004, as amended, was placed on the Eleventh order of business.

### SECOND READING OF HOUSE BILL

**HB 1004:** A BILL for an Act to provide an appropriation for defraying the expenses of the state auditor; to amend and reenact sections 54-10-10, 54-10-14, and 54-10-27 of the North Dakota Century Code, relating to the salary of the state auditor, political subdivision audits, and occupational and professional board audits; to provide for a prescription drug coverage performance audit; and to provide for legislative management reports.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 86 YEAS, 0 NAYS, 0 EXCUSED, 8 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Becker; Beltz; Boe; Bosch; Boschee; Brandenburg; Christensen; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Ertelt; Fegley; Fisher; Hagert; Hanson; Hatlestad; Hauck; Headland; Heinert; Hoverson; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Klemin; Koppelman, B.; Kreidt; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Ostlie; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Skroch; Steiner; Stemen; Strinden; Thomas; Toman; Trotter; Tveit; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Buffalo; Guggisberg; Hager; Kempenich; Schreiber-Beck; Vetter

Reengrossed HB 1004 passed.

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### REPORT OF CONFERENCE COMMITTEE

**HB 1380, as engrossed:** Your conference committee (Sens. Sorvaag, Bell, Heckaman and Reps. Vigesaa, Pollert, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1689-1698, adopt amendments as follows, and place HB 1380 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1689-1695 of the House Journal and pages 1404-1410 of the Senate Journal and that Engrossed House Bill No. 1380 be amended as follows:

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", and a new section to chapter 57-38"

Page 1, line 3, replace the first comma with "and"

Page 1, line 3, remove ", and an income tax relief fund"

Page 1, line 4, after "reenact" insert " subsection 1 of section 21-10-06 and"

Page 1, line 4, after "to" insert " funds invested by the state investment board and"

Page 1, line 5, after "definitions" insert "; to repeal House Bill No. 1038, as approved by the sixty-seventh legislative assembly, relating to a legislative management legacy fund earnings committee"

Page 1, line 5, after "transfer" insert "; to create a legislative management legacy fund earnings committee"

Page 1, line 5, remove "and"

Page 1, line 5, after "intent" insert "; and to provide an effective date"

Page 1, line 14, after "authority" insert "for transfer to the Bank of North Dakota for allocations to infrastructure projects and programs"

Page 1, line 15, replace "necessary" with "appropriated from the fund"

Page 1, line 15, remove the underscored comma

Page 1, line 16 replace "may be appropriated by the legislative assembly for other purposes" with "must be transferred by the state treasurer to the public employees retirement system main system plan under chapter 54-52, but only if the public employees retirement system main system plan's actuarial funded ratio as reported for the most recently completed even-numbered fiscal year is less than ninety percent. If the public employees retirement system main system plan's actuarial funded ratio is ninety percent or more and then subsequently decreases below ninety percent, the state treasurer may not resume the transfers under this subdivision unless the main system plan's actuarial funded ratio is less than seventy percent"

Page 1, after line 16, insert:

**"SECTION 2. AMENDMENT.** Subsection 1 of section 21-10-06 of the North Dakota Century Code is amended and reenacted as follows:

1. Subject to the provisions of section 21-10-02, the board shall invest the following funds:
  - a. State bonding fund.
  - b. Teachers' fund for retirement.
  - c. State fire and tornado fund.
  - d. Workforce safety and insurance fund.
  - e. Public employees retirement system.
  - f. Insurance regulatory trust fund.
  - g. State risk management fund.
  - h. Budget stabilization fund.
  - i. Health care trust fund.
  - j. Cultural endowment fund.
  - k. Petroleum tank release compensation fund.
  - l. Legacy fund.
  - m. Legacy earnings fund.
  - n. A fund under contract with the board pursuant to subsection 3."

Page 2, line 12, remove "If the amounts transferred under subsection 2 exceed the amount available for"

Page 2, remove lines 13 through 18

Page 2, line 19, remove "4."

Page 2, line 21, replace "six" with "seven"

Page 2, line 25, replace "5." with "4."

Page 2, line 28, after "hundred" insert "fifty"

Page 2, line 29, replace the underscored semicolon with an underscored period

Page 2, line 30, remove "The next forty million dollars to the clean sustainable energy fund:"

Page 3, remove lines 1 through 3

Page 3, line 4, replace "d." with "The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19.

c."

Page 3, line 5, after "assembly" insert ", including:

- (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;
  - (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and
  - (3) Up to thirty million dollars for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.
5. If the amounts transferred under subsection 2 exceed the amount available for appropriation under subsection 3, an amount equal to any appropriations from the legacy sinking and interest fund for bond payments under section 2 of this Act must be retained in the legacy earnings fund through June 30, 2025, after which an amount equal to twice any appropriations from the legacy sinking and interest fund under section 2 of this Act for bond payments, but not more than one hundred fifty million dollars, must be retained in the legacy earnings fund. After deducting any amounts to be retained in the legacy earnings fund, the state treasurer shall transfer, within thirty days, any remaining amounts under this subsection in the following order:
- a. The first one hundred million dollars to the legacy fund to become part of the principal.
  - b. Any remaining amount to the strategic investment and improvements fund to be used in accordance with the provisions of section 15-08.1-08"

Page 3 replace lines 6 through 11 with:

**"SECTION 5. REPEAL.** House Bill No. 1038, as approved by the sixty-seventh legislative assembly, is repealed.

**SECTION 6. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.**

1. During the 2021-22 interim, the legacy fund earnings committee is created and is composed of the following members:
  - a. The majority and minority leaders of the house of representatives and the senate, or their legislative designees;
  - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their legislative designees;
  - c. The chairmen of the appropriations committees of the house of representatives and the senate, or their legislative designees;

- d. The chairmen of the industry, business and labor standing committees of the house of representatives and the senate, or their legislative designees;
  - e. One member of the legacy and budget stabilization fund advisory board from the house of representatives and one member of the legacy and budget stabilization fund advisory board from the senate, appointed by the respective majority leaders; and
  - f. The chairman of the legislative management, or the chairman's legislative designee.
2. The legislative management shall designate the chairman of the committee.
  3. The committee shall study potential uses of legacy fund earnings, including the use of earnings to provide tax relief, research and technological advancements, innovation, economic growth and diversification, and workforce development. The committee may consider input from representatives of economic development entities, agricultural organizations, research entities, the innovation loan fund to support technology advancement committee, workforce development entities, higher education institutions, and the parks and recreation department. As part of the study, the committee shall:
    - a. Consider the establishment of a statutory committee to award grants for university research programs and workforce enrichment initiatives;
    - b. Define the use of university research, innovation, and workforce enrichment funding that may include efforts to stimulate economic activity across the state through innovation of new technology, concepts, and products; to promote job creation and career and wage growth; to enhance health care outcomes; and to provide experiential learning opportunities for students; and
    - c. Develop reporting requirements for entities receiving funds from the clean sustainable energy fund and from grants awarded for university research, innovation, and workforce enrichment initiatives.
  4. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the sixty-eighth legislative assembly."

Page 3, line 14, remove "the highway tax distribution fund,"

Page 3, after line 19, insert:

**"SECTION 8. EFFECTIVE DATE.** This Act becomes effective on August 1, 2021."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

House Version	Senate Version	Proposed Amendment
<b>Legacy fund definitions</b> <ul style="list-style-type: none"> <li>• Clarifies the definitions for the legacy fund</li> </ul>	<b>Legacy fund definitions</b> <ul style="list-style-type: none"> <li>• Same as the House version</li> </ul>	<b>Legacy fund definitions</b> <ul style="list-style-type: none"> <li>• Same as the House and Senate versions</li> </ul>
<b>Legacy fund earnings transfer</b> <ul style="list-style-type: none"> <li>• Transfers legacy fund earnings at the end of each biennium to a legacy earnings fund</li> </ul>	<b>Legacy fund earnings transfer</b> <ul style="list-style-type: none"> <li>• Same as the House version</li> </ul>	<b>Legacy fund earnings transfer</b> <ul style="list-style-type: none"> <li>• Same as the House and Senate versions</li> </ul>
<b>Percent of market value method</b>	<b>Percent of market value method</b>	<b>Percent of market value method</b>

<ul style="list-style-type: none"> <li>Determines the amount available for spending from the legacy earnings fund based on a percent of market value calculation method</li> <li>Uses 6 percent of the 5-year average value of legacy fund assets for the percent of market value</li> </ul>	<ul style="list-style-type: none"> <li>Same as the House version</li> <li>Uses 8 percent of the 5-year average value of legacy fund assets for the percent of market value</li> </ul>	<ul style="list-style-type: none"> <li>Same as the House and Senate versions</li> <li>Uses 7 percent of the 5-year average value of legacy fund assets for the percent of market value</li> </ul>
<p><b>Allocations from the legacy earnings fund</b></p> <ul style="list-style-type: none"> <li>Allocates the amount available for spending as follows: <ul style="list-style-type: none"> <li>\$100 million to a legacy sinking and interest fund designated for bond repayments and other legislative purposes;</li> <li>\$40 million to a clean sustainable energy fund;</li> <li>\$40 million to the infrastructure revolving loan fund; and</li> <li>Any remaining amounts for other purposes designated by the Legislative Assembly.</li> </ul> </li> </ul>	<p><b>Allocations from the legacy earnings fund</b></p> <ul style="list-style-type: none"> <li>Allocates the amount available for spending as follows: <ul style="list-style-type: none"> <li>20 percent with a minimum of \$100 million to a legacy sinking and interest fund designated for bond repayments and other legislative purposes;</li> <li>25 percent to infrastructure funds, of which 45 percent must be designated for the highway tax distribution fund, 5 percent must be designated for the state park fund, and any remaining amounts must be designated for a legacy infrastructure fund;</li> <li>25 percent to research and economic development funds, of which 30 percent must be designated for a clean sustainable energy fund, 30 percent must be designated for an economic diversification research fund, 30 percent must be designated for the innovation loan fund to support technology advancement, and any remaining amounts must be designated for an innovative research and economic diversification fund;</li> <li>10 percent to a legacy project fund;</li> <li>8 percent to a workforce development and enrichment fund; and</li> <li>Any remaining amounts for other purposes designated by the Legislative Assembly.</li> </ul> </li> </ul>	<p><b>Allocations from the legacy earnings fund</b></p> <ul style="list-style-type: none"> <li>Allocates the amount available for spending as follows: <ul style="list-style-type: none"> <li>\$150 million to a legacy sinking and interest fund for bond payments with any excess amounts transferred to the Public Employees Retirement System main system plan;</li> <li>\$60 million to the highway tax distribution fund; and</li> <li>Any remaining amounts for other purposes designated by the Legislative Assembly, including up to \$50 million for tax relief; up to \$30 million to the clean sustainable energy fund; and up to \$30 million for university research programs, the innovation loan fund to support technology advancement, and workforce enrichment initiatives.</li> </ul> </li> </ul>
<p><b>Excess earnings</b></p> <ul style="list-style-type: none"> <li>Allocates any amounts exceeding the amount available for spending as follows: <ul style="list-style-type: none"> <li>40 percent to the strategic investment and improvements fund;</li> <li>40 percent to the legacy fund to become part of the principal; and</li> <li>20 percent to an income tax relief fund.</li> </ul> </li> </ul>	<p><b>Excess earnings</b></p> <ul style="list-style-type: none"> <li>Any amounts exceeding the amount available for spending would remain in the legacy earnings fund and would be invested by the State Investment Board</li> </ul>	<p><b>Excess earnings</b></p> <ul style="list-style-type: none"> <li>From any amounts exceeding the amount available for spending, a portion would be retained in the legacy earnings fund and would be invested by the State Investment Board with any remaining amounts transferred as follows: <ul style="list-style-type: none"> <li>\$100 million to the legacy fund to become part of the principal; and</li> <li>Any remaining amounts to the strategic investment and improvements fund.</li> </ul> </li> </ul>
<p><b>Legislative intent</b></p> <ul style="list-style-type: none"> <li>Provides intent for the Legislative Assembly to consider additional allocations from the legacy earnings fund for the highway tax distribution fund, value-added agriculture programs, the innovation loan fund to support technology</li> </ul>	<p><b>Legislative intent</b></p> <ul style="list-style-type: none"> <li>Provides intent for the Legislative Assembly to consider additional allocations from the legacy earnings fund for value-added agriculture programs, state building maintenance and improvements, and other</li> </ul>	<p><b>Legislative intent</b></p> <ul style="list-style-type: none"> <li>Provides intent for the Legislative Assembly to consider additional allocations from the legacy earnings fund for value-added agriculture programs, the innovation loan fund to support technology advancement, state building</li> </ul>



		legacy fund earnings
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Engrossed HB 1380 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. VIGESAA MOVED** that the conference committee report on Engrossed HB 1380 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1380, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1380:** A BILL for an Act to create and enact a new section to chapter 6-09.4 and a new section to chapter 21-10 of the North Dakota Century Code, relating to a legacy sinking and interest fund and a legacy earnings fund; to amend and reenact subsection 1 of section 21-10-06 and section 21-10-12 of the North Dakota Century Code, relating to funds invested by the state investment board and legacy fund definitions; to repeal House Bill No. 1038, as approved by the sixty-seventh legislative assembly, relating to a legislative management legacy fund earnings committee; to provide for a transfer; to create a legislative management legacy fund earnings committee; to provide a statement of legislative intent; 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 81 YEAS, 9 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Ertelt; Fegley; Fisher; Hager; Hagert; Hanson; Hatlestad; Hauck; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Kasper; Keiser; Kiefert; Klemin; Koppelman, B.; Kreidt; Lefor; Longmuir; Louser; Marschall; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; O'Brien; Ostlie; Owens; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Becker; Christensen; Hoverson; Karls; Magrum; Martinson; Nelson, M.; Paulson; Toman

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Kempenich

Reengrossed HB 1380 passed.

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#### REPORT OF CONFERENCE COMMITTEE

**HB 1013, as engrossed:** Your conference committee (Sens. Poolman, Holmberg, Heckaman and Reps. Monson, Sanford, Boe) recommends that the **SENATE RECEDE** from the Senate amendments, adopt amendments as follows, and place HB 1013 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1608-1616 of the House Journal and pages 1320-1328 of the Senate Journal and that Engrossed House Bill No. 1013 be amended as follows:

Page 1, line 7, remove "and"

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

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$18,027,035	(\$172,288)	\$17,854,747
Operating expenses	33,770,947	(472,798)	33,298,149
Integrated formula payments	2,098,202,429	33,622,571	2,131,825,000
Grants - special education	24,000,000	3,000,000	27,000,000
Grants - transportation	56,500,000	1,600,000	58,100,000
Grants - other grants	287,062,705	25,926,188	312,988,893
Grants - program grants	7,680,000	(7,680,000)	0
Grants - passthrough grants	2,863,764	(2,863,764)	0
Grants - program and passthrough	0	23,887,064	23,887,064
PowerSchool	5,500,000	(250,000)	5,250,000
National board certification	108,000	68,290	176,290
Total all funds	\$2,533,714,880	\$76,665,263	\$2,610,380,143
Less estimated income	<u>812,553,743</u>	<u>139,429,527</u>	<u>951,983,270</u>
Total general fund	\$1,721,161,137	(\$62,764,264)	\$1,658,396,873"

Page 2, replace lines 15 through 20 with:

"Salaries and wages	\$4,300,335	(\$160,428)	\$4,139,907
Operating expenses	1,621,917	200,786	1,822,703
Grants	<u>2,233,528</u>	0	<u>2,233,528</u>
Total all funds	\$8,155,780	\$40,358	\$8,196,138
Less estimated income	<u>2,374,361</u>	<u>(9,944)</u>	<u>2,364,417</u>
Total general fund	\$5,781,419	\$50,302	\$5,831,721"

Page 2, remove lines 26 through 31

Page 3, replace line 1 with:

"Salaries and wages	\$8,054,944	\$277,876	\$8,332,820
Operating expenses	1,705,586	21,500	1,727,086
Capital assets	158,678	697,500	856,178
Grants	<u>40,000</u>	<u>(40,000)</u>	0
Total all funds	\$9,959,208	\$956,876	\$10,916,084
Less estimated income	<u>2,430,358</u>	<u>1,079,170</u>	<u>3,509,528</u>
Total general fund	\$7,528,850	(\$122,294)	\$7,406,556"

Page 3, replace lines 7 through 12 with:

"Salaries and wages	\$4,935,291	\$56,903	\$4,992,194
Operating expenses	795,821	29,850	825,671
Capital assets	<u>39,192</u>	<u>381,500</u>	<u>420,692</u>
Total all funds	\$5,770,304	\$468,253	\$6,238,557
Less estimated income	<u>1,052,315</u>	<u>424,363</u>	<u>1,476,678</u>
Total general fund	\$4,717,989	\$43,890	\$4,761,879"

Page 3, replace lines 18 through 20 with:

"Grand total general fund	\$1,739,189,395	(\$62,792,366)	\$1,676,397,029
Grand total special funds	<u>818,410,777</u>	<u>140,923,116</u>	<u>959,333,893</u>
Grand total all funds	\$2,557,600,172	\$78,130,750	\$2,635,730,922"

Page 3, after line 27, insert:

" Regional education association grants	0	250,000
State automated reporting system maintenance	0	200,000"

Page 4, replace lines 1 through 6 with:

"Total department of public instruction - all funds	\$5,200,000	\$13,950,000
Total department of public instruction - estimated income	<u>5,000,000</u>	<u>13,750,000</u>
Total department of public instruction - general fund"	\$200,000	\$200,000

Page 4, after line 9, insert

"Operating expenses	0	21,500"
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Page 4, replace line 12 with:

"Total school for the deaf - estimated income	\$270,000	\$719,000"
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Page 4, after line 20, insert

"Vision screening devices	0	11,500"
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Page 4, after line 24 insert

"Heating, ventilation, and air conditioning upgrades	0	86,000"
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Page 4, replace lines 27 through 30 with:

"Total school for the blind - estimated income	\$280,500	\$414,500
Grand total - all funds	\$5,750,500	\$15,083,500
Grand total - estimated income	<u>5,550,500</u>	<u>14,883,500</u>
Grand total - general fund	\$200,000	\$200,000"

Page 5, line 14, replace "\$110,000,000" with "\$143,454,500"

Page 5, line 23, remove "- **MEDICAID MATCHING FUNDING** -"

Page 5, line 24, remove "**DISTRIBUTION**"

Page 5, line 25, remove "1."

Page 6, replace lines 1 through 6 with:

**"SECTION 7. MEDICAID MATCHING FUNDING - SCHOOL APPROVAL - WITHHOLDING AND DISTRIBUTION.**

1. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program for the biennium beginning July 1, 2021, and ending June 30, 2023. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.
2. State school aid payments for integrated formula payments must be reduced by the amount of funds required to be paid by school districts for school approval for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 7, replace lines 26 through 28 with:

**"SECTION 11. POSTSECONDARY TRANSITIONAL GRANT PROGRAM FUNDING.** The integrated formula payments line item in subdivision 1 of section 1 of this Act includes funding for postsecondary transitional grants. The superintendent of public instruction shall provide integrated formula payments to postsecondary transitional programs for eligible students enrolled in a postsecondary transitional program within the state at the rate provided under section 15.1-27-04.1. For purposes of this section, "eligible student" means a student with a documented intellectual or developmental disability who is at least eighteen years of age but has not reached the age of twenty-two, who has graduated from a public high school in the state or obtained an equivalent degree, and who enrolls in a postsecondary transitional program. By June thirtieth of each year, postsecondary transitional programs shall submit to the superintendent of public instruction for the reimbursement of eligible students enrolled in the program. Grant payments under

this section may not exceed the per student rate under section 15.1-27-04.1. The superintendent of public instruction shall review and approve postsecondary transitional programs and develop a system for the distribution of payments necessary to implement this section.

**SECTION 12. USE OF NEW MONEY - NONADMINISTRATIVE PERSONNEL COMPENSATION INCREASES - REPORT TO LEGISLATIVE MANAGEMENT.**

1. During the 2021-23 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, resulting from increases in the base integrated formula payment rate, to increase the compensation paid to non-administrative personnel.
2. For purposes of this section, the superintendent of public instruction shall provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2021-23 biennium."

Page 7, line 30, after the comma insert "the department of public instruction may deposit indirect cost recoveries in its operating account. In addition,"

Page 8, line 1, remove the comma

Page 8, line 2, replace "and may be spent" with ". Any funds deposited in the public instruction fund may only be spent"

Page 8, line 7, replace "\$23,733,064" with "\$23,887,064"

Page 8, after line 16, insert:

**"SECTION 16. EXEMPTION - STATE AUTOMATED REPORTING SYSTEM REWRITE.** Up to \$600,000 of the unexpended amount remaining from the one-time appropriation from the foundation aid stabilization fund for the state automated reporting system rewrite, as authorized in subdivision 1 of section 1 of chapter 38 of the 2019 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2019-21 biennium, and may be continued into the 2021-23 biennium for the purpose of continuing the state automated reporting system rewrite."

Page 9, line 16, replace "twenty-nine" with "thirty"

Page 9, line 16, replace "six" with "three"

Page 9, line 16, replace "eighty-five" with "twenty-three"

Page 10, remove lines 22 through 31

Page 11, line 1, replace "4." with "3."

Page 11, line 3, replace "5." with "4."

Page 11, line 11, after "**districts**" insert "**and special education units**"

Page 11, line 27, after "chapter" insert "or any special education unit"

Page 11, line 28, after "district" insert "or special education unit"

Page 11, line 28, after "manager" insert "or to jointly employ both a special education unit director and a business manager"

Page 11, line 30, after "manager" insert "or partial reimbursement of the combined salaries of the special education unit director and the business manager"

Page 12, line 3, after "district" insert "or special education unit"

Page 12, line 5, after "manager" insert "or the special education unit director and business manager"

Page 12, line 6, after "district" insert "or special education unit"

Page 12, line 7, after "manager" insert "or of the jointly hired special education unit director and business manager"

Page 12, line 8, after "schools" insert "or special education units"

Page 12, line 9, after "schools" insert "or special education units"

Page 12, line 10, after "schools" insert "or special education units"

Page 12, line 12, after "schools" insert "or special education units"

Page 12, line 15, after "districts" insert "or special education units"

Page 12, line 19, after "manager" insert "or the salaries of the special education unit director and business manager"

Page 13, line 12, replace "19" with "22"

Page 13, after line 13, insert:

**"SECTION 26. EMERGENCY.** The \$12,000,000 appropriated from the federal coronavirus relief fund, of which \$6,565,432 is in the operating expenses line item and \$5,434,568 is in the grants line item in section 1 and identified in sections 2 and 8 of Senate Bill No. 2018, as approved by the sixty-seventh legislative assembly, and the \$100,000 appropriated from the general fund for a motion picture production and recruitment grant in the grants line item in section 1 and identified in section 2 of Senate Bill No. 2018, as approved by the sixty-seventh legislative assembly, are declared to be an emergency measure.

**SECTION 27. EMERGENCY.** Senate Bill No. 2317, as approved by the sixty-seventh legislative assembly, is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1013 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Department of Public Instruction						
Total all funds	\$2,533,714,880	\$2,574,705,359	\$35,674,784	\$2,610,380,143	\$2,920,922,022	(\$310,541,879)
Less estimated income	812,553,743	918,215,157	33,768,113	951,983,270	1,257,845,649	(305,862,379)
General fund	\$1,721,161,137	\$1,656,490,202	\$1,906,671	\$1,658,396,873	\$1,663,076,373	(\$4,679,500)
FTE	89.25	86.25	0.00	86.25	86.25	0.00
State Library						
Total all funds	\$8,155,780	\$8,204,297	(\$8,159)	\$8,196,138	\$8,196,138	\$0
Less estimated income	2,374,361	2,363,923	494	2,364,417	2,364,417	0
General fund	\$5,781,419	\$5,840,374	(\$8,653)	\$5,831,721	\$5,831,721	\$0
FTE	27.75	26.75	0.00	26.75	26.75	0.00
School for the Deaf						
Total all funds	\$9,959,208	\$10,899,230	\$16,854	\$10,916,084	\$10,916,084	\$0
Less estimated income	2,430,358	3,488,980	20,548	3,509,528	3,509,528	0
General fund	\$7,528,850	\$7,410,250	(\$3,694)	\$7,406,556	\$7,406,556	\$0
FTE	44.61	44.61	0.00	44.61	44.61	0.00
Vision Services - School for the Blind						
Total all funds	\$5,770,304	\$6,144,207	\$94,350	\$6,238,557	\$6,141,057	\$97,500
Less estimated income	1,052,315	1,526,111	(49,433)	1,476,678	1,379,178	97,500
General fund	\$4,717,989	\$4,618,096	\$143,783	\$4,761,879	\$4,761,879	\$0



	Adds One-Time Funding for Regional Education Association Grants <sup>1</sup>	Total Conference Committee Changes
Salaries and wages		\$16,284
Operating expenses		200,000
Integrated formula payments		33,454,500
Grants - Special education contracts		
Grants - Transportation		1,600,000
Grants - Other grants	\$250,000	250,000
Grants - Program grants		
Grants - Passthrough grants		
PowerSchool		
National board certification		
Grants - Program and passthrough grants		154,000
Total all funds	\$250,000	\$35,674,784
Less estimated income	250,000	33,768,113
General fund	\$0	\$1,906,671
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> The funding source for professional fees related to school approval is adjusted to provide \$100,000 from the general fund for the Department of Public Instruction's portion of the \$1,112,000 total cost, the same as the Senate version. Funding for the remaining cost will be reimbursed by school districts through an assessment withheld from school districts' integrated formula payments.

<sup>3</sup> Funding from the foundation aid stabilization fund is increased for integrated formula payments, pursuant to Conference Committee amendments to House Bill No. 1388, to provide a total of \$2,131,825,000, of which \$433,020,000 is from the state tuition fund, \$143,454,500 is from the foundation aid stabilization fund, and \$1,555,350,500 is from the general fund. Funding is adjusted to:

- Increase funding by \$34,300,000 to provide a 1 percent increase in the integrated formula payment rate each year of the 2021-23 biennium, the same as the Senate version;
- Increase funding by \$8,254,500 related to adjustments to the school district size weighting factors for elementary schools, the same as the Senate version, and school districts with multiple buildings more than 19 miles apart, which was not included in the House or Senate version;
- Decrease funding by \$5,700,000 to remove adjustments to the transition maximum, the House and Senate versions included a 5 percent increase in the transition maximum each year of the 2021-23 biennium; and
- Decrease funding by \$3,400,000 by postponing the phase out of transition maximum adjustments to the 2023-25 biennium. The House and Senate began phasing out the transition maximum adjustments during the 2021-23 biennium.

The Senate approved formula adjustments totaling \$51,016,012, of which \$34,300,000 was provided from the foundation aid stabilization fund and \$16,716,012 was provided from the general fund. The House approved formula adjustments totaling \$12,036,512 from the general fund.

<sup>4</sup> Pursuant to House Bill No. 1027, funding for transportation aid grants is increased to provide a total of \$58.1 million, the same as the Senate version.

<sup>5</sup> Funding from special funds made available from 2019-21 biennium carryover is added to increase funding for national writing projects (\$7,500), "We the People" program (\$27,500), and rural art outreach (\$119,000) to provide the following program and passthrough grants, the same as the Senate version:

	<b>Program and Passthrough Grants</b>
Adult education matching grants	\$5,000,000
School food services matching grants	1,380,000
Free breakfast program	200,000
Program grant pool	900,000
Bismarck Gateway to Science	13,500,000
National writing projects	50,000
Rural art outreach projects	425,000
North Central Council for Education Media Services	202,300
Mentoring program	2,125,764
"We the People" program	70,000
Cultural heritage grants	34,000
Total program and passthrough grants	\$23,887,064

<sup>6</sup> One-time funding is added for state automated reporting system (STARS) maintenance, the same as the Senate version. In addition, a section is added to the bill to provide up to \$600,000 of the unexpended amount remaining from the one-time appropriation from the foundation aid stabilization fund for the STARS rewrite, at the end of the 2019-21 biennium may be continued into the 2021-23 biennium for continuing the STARS rewrite, the same as the Senate version.

<sup>7</sup> One-time funding is added from the federal Coronavirus Relief Fund for grants to regional education associations. The funding must be allocated based on enrollment in after school programs and distributed on a reimbursement basis for eligible expenditures. This funding was not included in the House or Senate version.

This amendment also:

- Adds a section to authorize the department to withhold funds required to be paid by school districts for school approval, the same as the Senate version;
- Adds a section to authorize the Superintendent of Public Instruction to provide funding from the integrated formula payments line item for postsecondary transitional programs, the same as the Senate version;
- Adds a section to require school districts to use 70 percent of increased funding for integrated formula payments related to any increases in the base integrated formula payment rate for compensation increases for nonadministrative personnel, the same as the Senate version;
- Removes a section related to indirect cost recoveries and amends a section related to general educational development fees and displaced homemaker deposits to include indirect cost recoveries, the same as the Senate version;
- Amends North Dakota Century Code Section 15.1-02-02 to provide the statutory changes to adjust the Superintendent of Public Instruction's salary to reflect a 1.5 percent salary increase in the 1st year of the biennium and a 2 percent salary increase in the 2nd year of the biennium, the same as the Senate version. The superintendent's annual salary would increase from the current level of \$125,880 to \$127,768, effective July 1, 2021, and to \$130,323, effective July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022;
- Amends Section 15.1-06-19 related to school counselors to require each school district have one school counselor for every 300 students in kindergarten through grade 6, the same as the House version. Amendments included by the House related to the duties of school counselors were not included in the Conference Committee amendments. The Senate removed the section amending Section 15.1-06-19; and
- Amends Section 15.1-27-16 to allow administrative cost-sharing reimbursement for special education units, the same as the Senate version.

The Conference Committee did not include one-time funding made available through the American Rescue Plan Act of 2021, including discretionary funding available to the Superintendent of Public Instruction (\$30,526,688) and funding to be allocated directly to school districts (\$274,740,191) which was added as an emergency measure by the Senate. This funding was appropriated in House Bill No. 1395.

The Conference Committee did not include a section, added by the Senate, to require \$260,000 provided from the general fund to be used only for the operations of the K-12 Education Coordination Council.

### House Bill No. 1013 - State Library - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,300,335	\$4,148,066	(\$8,159)	\$4,139,907	\$4,139,907	
Operating expenses	1,621,917	1,822,703		1,822,703	1,822,703	
Grants	2,233,528	2,233,528		2,233,528	2,233,528	
Total all funds	\$8,155,780	\$8,204,297	(\$8,159)	\$8,196,138	\$8,196,138	\$0
Less estimated income	2,374,361	2,363,923	494	2,364,417	2,364,417	0
General fund	\$5,781,419	\$5,840,374	(\$8,653)	\$5,831,721	\$5,831,721	\$0
FTE	27.75	26.75	0.00	26.75	26.75	0.00

### Department 250 - State Library - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	(\$8,159)	(\$8,159)
Operating expenses		
Grants		
Total all funds	(\$8,159)	(\$8,159)
Less estimated income	494	494
General fund	(\$8,653)	(\$8,653)
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

### House Bill No. 1013 - School for the Deaf - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$8,054,944	\$8,337,466	(\$4,646)	\$8,332,820	\$8,332,820	
Operating expenses	1,705,586	1,705,586	21,500	1,727,086	1,727,086	
Capital assets	158,678	856,178		856,178	856,178	
Grants	40,000					
Total all funds	\$9,959,208	\$10,899,230	\$16,854	\$10,916,084	\$10,916,084	\$0
Less estimated income	2,430,358	3,488,980	20,548	3,509,528	3,509,528	0
General fund	\$7,528,850	\$7,410,250	(\$3,694)	\$7,406,556	\$7,406,556	\$0
FTE	44.61	44.61	0.00	44.61	44.61	0.00

### Department 252 - School for the Deaf - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds One-Time Funding for Operating Expenses <sup>2</sup>	Adjusts Funding Source for One-Time Boiler Replacement <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$4,646)			(\$4,646)
Operating expenses		\$21,500		21,500
Capital assets				
Grants				
Total all funds	(\$4,646)	\$21,500	\$0	\$16,854
Less estimated income	(952)	21,500	0	20,548
General fund	(\$3,694)	\$0	\$0	(\$3,694)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding is added for operating expenses to receive and expend two grants from the Department of Public Instruction to assist special education programs in assessing and responding to individual needs as a result of COVID-19 (\$11,500) and to improve graduation rates of students with disabilities through the use of evidence-based practices (\$10,000), the same as the Senate version.

<sup>3</sup> The funding source for the standby boiler upgrade and related heating, ventilation, and air conditioning is adjusted to provide \$300,000 from the federal Coronavirus Relief Fund and \$350,000 from special funds available from trust fund distributions, rents, and service revenue. The House and Senate provided \$650,000 from special funds available from trust fund distributions, rents, and service revenue for the standby boiler upgrade.

#### House Bill No. 1013 - Vision Services - School for the Blind - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,935,291	\$4,995,344	(\$3,150)	\$4,992,194	\$4,992,194	
Operating expenses	795,821	825,671		825,671	825,671	
Capital assets	39,192	323,192	97,500	420,692	323,192	\$97,500
Total all funds	\$5,770,304	\$6,144,207	\$94,350	\$6,238,557	\$6,141,057	\$97,500
Less estimated income	1,052,315	1,526,111	(49,433)	1,476,678	1,379,178	97,500
General fund	\$4,717,989	\$4,618,096	\$143,783	\$4,761,879	\$4,761,879	\$0
FTE	27.90	27.75	0.00	27.75	27.75	0.00

#### Department 253 - Vision Services - School for the Blind - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts the Funding Source for 1 FTE Position <sup>2</sup>	Adds One-Time Funding for Heating, Ventilation, and Air Conditioning Updates <sup>3</sup>	Adds One-Time Funding for Vision Screening Devices <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$3,150)				(\$3,150)
Operating expenses					
Capital assets			\$86,000	\$11,500	97,500
Total all funds	(\$3,150)	\$0	\$86,000	\$11,500	\$94,350
Less estimated income	(951)	(145,982)	86,000	11,500	(49,433)
General fund	(\$2,199)	\$145,982	\$0	\$0	\$143,783
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> The funding source for 1 FTE position is changed from special funds available from trust fund distributions, rents, and service revenue to funding from the general fund, the same as the Senate version.

<sup>3</sup> One-time funding from the federal Coronavirus Relief Fund is added for capital assets related to heating, ventilation, and air conditioning updates. This funding was not included in the House or Senate version.

<sup>4</sup> One-time funding is added for capital assets to receive and expend a grant from the Department of Public Instruction to purchase vision screening devices. This funding was not included in the House or Senate version.

Engrossed HB 1013 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. MONSON MOVED that the conference committee report on Engrossed HB 1013 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1013, as amended, was placed on the Eleventh order of business.

### SECOND READING OF HOUSE BILL

**HB 1013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to amend and reenact sections 15.1-02-02, 15.1-02-16, 15.1-06-19, and 15.1-27-16 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, credentialing, school counselors, and administrative cost-sharing for cooperating districts; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide for reports; 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 76 YEAS, 14 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hagert; Hanson; Hatlestad; Hauck; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; O'Brien; Ostlie; Owens; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Stemen; Strinden; Thomas; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Becker; Christensen; Ertelt; Hoverson; Keiser; Koppelman, B.; Magrum; Marschall; Nelson, M.; Paulson; Ruby, M.; Schatz; Skroch; Toman

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Kempenich

Reengrossed HB 1013 passed and the emergency clause was declared carried.

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### ANNOUNCEMENT

**SPEAKER K. KOPPELMAN ANNOUNCED** the House stand in recess until 7:10 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker K. Koppelman presiding.

### POINT OF PERSONAL PRIVILEGE

**REP. M. JOHNSON** rose on a point of personal privilege.

### REMARKS OF REPRESENTATIVE M. JOHNSON

**MR. SPEAKER:** Tonight we celebrate yet another historic achievement for the North Dakota State University Bison football team. With the third overall pick in the National Football League draft, the San Francisco 49ers selected NDSU's own Trey Lance. In his one full season as the Bison's starting QB, Trey Lance proved himself to be one of the very best quarterbacks in the nation despite only being a redshirt freshman. In that season, Trey passed for a remarkable 28 touchdowns while amazingly never throwing a single interception. He added 1,100 yards and 14 touchdowns on the ground. In recognition of this incredible season, Trey won the Walton Payton Award as the nation's top offensive player at the FCS level. But most importantly to Trey—and to us as proud North Dakotans—he led the Bison to an undefeated record and their 8th national title since 2011. It was no surprise that Trey was named the championship game's MVP. Now we look forward to the next chapter in Trey's career. And while he's a native of Minnesota, he'll always be welcomed home with open arms as North Dakota's adopted son. Congratulations, Trey!

### MOTION

**REP. LOUSER MOVED** that the remarks of Rep. M. Johnson be printed in the Journal, which motion prevailed on a voice vote.

**ANNOUNCEMENT**

**SPEAKER K. KOPPELMAN ANNOUNCED** that the House stand in recess until 10:00 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker K. Koppelman presiding.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1209, as engrossed:** Your conference committee (Sens. Vedaa, Weber, Marcellais and Reps. Kasper, B. Koppelman, Steiner) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1340 and place HB 1209 on the Seventh order.

Engrossed HB 1209 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KASPER MOVED** that the conference committee report on Engrossed HB 1209 be adopted.

**REQUEST**

**REP. M. RUBY REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed HB 1209, the conference committee report on Engrossed HB 1209 was adopted on a verification vote.

Engrossed HB 1209, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1209:** A BILL for an Act to provide for a legislative management study of the public employees retirement system defined benefit and defined contribution retirement plans.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 14 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Bosch; Boschee; Brandenburg; Buffalo; Christensen; Damschen; Delzer; Devlin; Dobervich; Dockter; Ertelt; Fisher; Hager; Hager; Hanson; Hatlestad; Hauck; Headland; Heinert; Hoverson; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Klemm; Koppelman, B.; Kreidt; Longmuir; Louser; Magrum; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; Ostlie; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, M.; Sanford; Satrom; Schauer; Schneider; Schreiber-Beck; Strinden; Thomas; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Becker; Boe; Cory; Fegley; Lefor; O'Brien; Ruby, D.; Schatz; Schmidt; Skroch; Steiner; Stemen; Toman; Trottier

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Kempenich; Schobinger

Reengrossed HB 1209 passed.

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**ANNOUNCEMENT**

**SPEAKER K. KOPPELMAN ANNOUNCED** that the House stand in recess until 11:00 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker K. Koppelman presiding.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1012, as engrossed:** Your conference committee (Sens. Dever, Hogue, Mathern and Reps. J. Nelson, Kreidt, Mitskog) recommends that the **SENATE RECEDE** from the

Senate amendments as printed on HJ pages 1650-1658, adopt amendments as follows, and place HB 1012 on the Seventh order:

Page 1, line 2, after "services" insert "; to provide an appropriation to the state department of health; to provide an appropriation to the legislative council; to provide an appropriation to the office of management and budget"

Page 1, line 2, after "a" insert "new section to chapter 1-02, two"

Page 1, line 2, replace "section" with "sections"

Page 1, line 2, after "50-06" insert ", and a new section to chapter 50-24.1"

Page 1, line 3, after the first "to" insert "person-first language,"

Page 1, line 3, after "grants" insert ", a behavioral health bed management system, and medical assistance coverage of interpreter services; to create and enact a new paragraph to subdivision I of subsection 1 of section 50-11.1-22 of the North Dakota Century Code as created by section 8 of House Bill No. 1416, as approved by the sixty-seventh legislative assembly, relating to the North Dakota early childhood council membership"

Page 1, line 4, after "50-06-42" insert ", 50-11.1-14, 50-24.1-02.7, 50-24.1-31,"

Page 1, line 5, after "program" insert ", early childhood workforce development fees, Medicaid coverage for workers with disability coverage and families of children with disabilities,"

Page 1, line 9, after "application" insert "; to provide for retroactive application"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 30

Page 3, replace lines 1 through 10 with:

"Salaries and wages	\$20,222,500	(\$882,643)	\$19,339,857
Operating expenses	134,438,862	83,747,426	218,186,288
Capital assets	50,000	25,000	75,000
Total all funds	\$154,711,362	\$82,889,783	\$237,601,145
Less estimated income	<u>90,021,088</u>	<u>49,909,553</u>	<u>139,930,641</u>
Total general fund	\$64,690,274	\$32,980,230	\$97,670,504

Subdivision 2.

#### PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$68,994,873	\$53,731,256	\$122,726,129
Operating expenses	150,961,583	20,314,902	171,276,485
Capital assets	10,000	0	10,000
Grants	452,041,904	15,404,936	467,446,840
Grants - medical assistance	<u>2,742,157,720</u>	<u>295,998,870</u>	<u>3,038,156,590</u>
Total all funds	\$3,414,166,080	\$385,449,964	\$3,799,616,044
Less estimated income	<u>2,232,568,138</u>	<u>274,982,735</u>	<u>2,505,550,873</u>
Total general fund	\$1,181,597,942	\$112,467,229	\$1,294,065,171

Subdivision 3.

#### FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$204,701,143	(\$34,917,117)	\$169,784,026

Institutions	137,476,480	(6,942,407)	130,534,073
Total all funds	\$342,177,623	(\$41,859,524)	\$300,318,099
Less estimated income	<u>127,314,955</u>	<u>(13,041,660)</u>	<u>114,273,295</u>
Total general fund	\$214,862,668	(\$28,817,864)	\$186,044,804

Subdivision 4.

COUNTY SOCIAL SERVICE FINANCING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County social services	\$173,700,000	\$16,217,386	\$189,917,386
Total all funds	\$173,700,000	\$16,217,386	\$189,917,386
Less estimated income	<u>173,700,000</u>	<u>14,976,995</u>	<u>188,676,995</u>
Total general fund	\$0	\$1,240,391	\$1,240,391

Subdivision 5.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,461,150,884	\$117,869,986	\$1,579,020,870
Grant total special funds	<u>2,623,604,181</u>	<u>324,827,623</u>	<u>2,948,431,804</u>
Grant total all funds	\$4,084,755,065	\$442,697,609	\$4,527,542,674
Full-time equivalent positions	2,230.23	19.10	2,249.33"

Page 3, after line 18, insert:

"Capital projects - southeast human service center	0	724,000
Developmental disabilities provider stabilization grants	0	125,000"

Page 3, replace lines 21 and 22 with:

"State hospital study	200,000	0"
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Page 3, replace lines 24 through 26 with:

"Total all funds	\$22,068,926	\$75,690,747
Less estimated income	<u>20,556,323</u>	<u>51,457,531</u>
Total general fund	\$1,512,603	\$24,233,216"

Page 4, line 5, remove "political subdivision "

Page 4, line 6, replace "for the state share of costs relating to the purchase of a fire truck" with "city located in a county of fewer than 25,000 individuals and provides prevention and extinguishment of fires at the North Dakota state hospital"

Page 4, line 10, remove "shall discontinue any agreement with a political subdivision for fire protection"

Page 4, line 11, remove "services and"

Page 4, after line 12, insert:

**"SECTION 4. APPROPRIATION - STATE DEPARTMENT OF HEALTH.**

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$281,715, or so much of the sum as may be necessary, and the sum of \$281,715 from special funds derived from grants, donations, and other income, to the state department of health for the purpose of providing a grant to the task force on the prevention of sexual abuse of children for staff and programming materials focused on primary prevention activities, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 5. APPROPRIATION - LEGISLATIVE MANAGEMENT STUDY - STATEWIDE ACUTE PSYCHIATRIC AND RESIDENTIAL CARE NEEDS.**

1. During the 2021-22 interim, the legislative management shall study the acute psychiatric hospitalization and related step down residential treatment and support needs of individuals with mental illness. The legislative management shall create an acute psychiatric treatment committee consisting of eight members to conduct the study. The legislative management chairman shall designate the committee chairman and vice chairman and the legislative council shall provide staff services for the committee. The committee must complete the study by October 1, 2022.
2. As part of the study, the committee shall gather input from stakeholders and other groups, including private hospitals, the department of human services, and mental health advocates.
3. The study must review options for a long-term plan for acute psychiatric hospitalization and related step down residential treatment and support needs in the state and short-term options during the next two bienniums to contract with private provider acute psychiatric care facilities to provide treatment services in four or more cities in the state, workforce needs of such specific locations, and options to replace the existing state hospital facility with one or more treatment facilities focused on forensic psychiatric evaluation and treatment.
4. The committee, with the approval of the legislative management, may obtain consulting services to determine the total number of acute care beds needed in the state and to develop recommendations for private provider contracts, treatment requirements and outcome measures, locations in the state, including private and public facilities, the future use of facilities at the state hospital campus including the LaHaug building, and other items identified in subsection 3. The consulting services may also develop conceptual drawings for recommendations for a new state hospital.
5. The department of human services shall provide to the consultants and the committee a complete description of other outpatient and inpatient private and public behavioral health services, including substance use disorder facilities, existing in the state to prevent acute behavioral health hospitalization and to support patients following discharge from psychiatric hospitalization and related residential care.
6. The department of human services shall seek Medicaid plan amendments or Medicaid waivers to allow federal funding reimbursement for services provided in institutions for mental diseases to Medicaid beneficiaries between the ages of twenty-one and sixty-four.
7. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.
8. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the legislative council for consulting services for the study identified in this section, for the period beginning with the effective date of this section, and ending June 30, 2023. The funding appropriated in the section is considered a one-time funding item.

**SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - CAPITOL BUILDING FUND.** There is appropriated out of any moneys in the capitol building fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of utilizing a consultant to determine the compliance of

the capitol building with 2010 Americans with Disabilities Act standards, for the biennium beginning July 1, 2021, and ending June 30, 2023. The funding appropriated in this section is considered a one-time funding item.

**SECTION 7. SPENDING RESTRICTION - 2021-23 BIENNIUM - FEDERAL MEDICAL ASSISTANCE PERCENTAGE.** The department of human services may not spend any general fund savings resulting from federal enhancements or adjustments that cause the federal medical assistance percentage to exceed the rates used by the sixty-seventh legislative assembly for budgeting purposes for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 5, line 1, after "**SERVICES**" insert "- **LEGISLATIVE INTENT**"

Page 5, line 5, after the period insert "It is the intent of the sixty-seventh legislative assembly that future legislative assemblies retain and exercise unfettered discretion to appropriate funds as they deem appropriate without regard to the federal department of justice lawsuit settlement.

**SECTION 11. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act includes appropriation authority for the department of human services for the biennium beginning July 1, 2021, and ending June 30, 2023. On September 1, 2022, in accordance with provisions of House Bill No. 1247, as approved by the sixty-seventh legislative assembly, the office of management and budget shall transfer remaining appropriation authority contained in section 1 of this Act, and any remaining appropriation authority for the department of human services in other bills approved by the sixty-seventh legislative assembly, to the department of health and human services. The appropriation authority in section 1 of this Act and appropriation authority for the department of human services from any other bill that is transferred to the department of health and human services must be maintained and reported separately from other appropriation authority transferred to the department of health and human services.

**SECTION 12. ESTIMATED INCOME - FEDERAL CORONAVIRUS RELIEF FUND.** The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$2,457,638 from the federal coronavirus relief fund for senior nutrition services and the sum of \$1,750,000 from the federal coronavirus relief fund for the community behavioral health program."

Page 5, line 7, replace "\$187,385,888" with "\$187,223,092"

Page 5, line 11, replace "\$24,000,000" with "\$31,500,000"

Page 5, line 20, remove "**STATE HOSPITAL -**"

Page 5, line 22, after "chapel" insert ", administrative building,"

Page 5, line 23, replace "4" with "8"

Page 5, after line 29, insert:

**"SECTION 18. PERMANENT SUPPORTIVE HOUSING GRANTS.**

Subdivision 2 of section 1 of this Act includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants. The department of human services shall develop a funding methodology to distribute the funding to qualified entities that utilize best practices for permanent supportive housing, provide recovery-oriented and person-centered services, submit process and outcome measures to the department, and authorize the department to conduct onsite visits to review program operations.

**SECTION 19. EMERGENCY STABILIZATION GRANTS - DEVELOPMENTAL DISABILITIES WAIVER.**

1. Subdivision 2 of subsection 1 of this Act includes the sum of \$125,000 from the general fund for the purpose of providing emergency stabilization grants to developmental disability in-home support providers

to support the sustainability of newly licensed providers within the developmental disability provider network. To be eligible to receive an emergency stabilization grant, a licensed developmental disability in-home support provider must be in operation as of October 1, 2020, with an initial license date of October 15, 2015, or later, and comply with grant requirements established by the department of human services. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

2. The department of human services shall include in-home support providers in future appendix K applications, to allow eligibility for retainer payments in a manner equivalent to day support services.

**SECTION 20. REFUGEE RESETTLEMENT SERVICES - LEGISLATIVE MANAGEMENT REPORT.** Subdivision 2 of section 1 of this Act includes the sum of \$6,069,408 of federal funds for the refugee resettlement program. The department of human services shall collaborate with applicable federal and private placement agencies to develop a plan to resettle refugees in at least five geographically diverse communities in the state outside of the existing resettlement communities with a goal of resettling twenty-five percent of new refugees outside of existing resettlement communities. During the 2021-22 interim, the department of human services shall provide a report to the legislative management regarding refugee resettlement services."

Page 7, replace lines 15 through 19 with:

**"SECTION 22. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM - APPLICATION.**

1. Subdivision 2 of section 1 of this Act includes the sum of \$703,317,464, of which \$80,934,488 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2021, and ending June 30, 2023. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount. For purposes of this section:
  - a. Expenditures do not include those made for individuals identified as medically frail and who receive services through the traditional Medicaid program administered by the department of human services for which there is a separate appropriation of \$10,184,568 included in subdivision 2 of section 1 of this Act.
  - b. Expenditures do not include prescription drugs for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of \$29,460,720 included in subdivision 2 of section 1 of this Act.
  - c. Expenditures do not include coverage for individuals ages nineteen and twenty for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of \$12,705,466 included in subdivision 2 of section 1 of this Act.
2. The department of human services may exceed appropriations for increases in medical assistance expansion program caseload and for the addition of coverage consistent with the traditional Medicaid 1915(i) state plan.
3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based

program approved by the department. The managed care organization shall reimburse all North Dakota substance use providers of American society of addiction medicine level 2.5 at consistent levels and with consistent methodology. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.

4. The managed care organization and the department of human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement.
5. The department of human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.

**SECTION 23.** A new section to chapter 1-02 of the North Dakota Century Code is created and enacted as follows:

**Person-first language**

The provisions of this code, unless the context otherwise requires, must be construed in person-first language and any new enactments of this code must be written in person-first language.

Page 8, line 9, replace "three" with "two"

Page 8, remove lines 19 through 31

Page 9, replace lines 1 through 13 with:

**"SECTION 25. AMENDMENT.** Section 50-06-42 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-42. Substance use disorder treatment voucher system.**

1. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services provided by licensed substance abuse treatment programs, excluding regional human service centers, and hospital- or medical clinic-based programs for medical management of withdrawal, and any institution for mental diseases in accordance with subsection 2.
2. The department shall deny a licensed substance abuse treatment program's substance use disorder treatment voucher system application and deny reimbursement by the substance use disorder treatment voucher system if the licensed substance abuse treatment program is an institution for mental diseases and reimbursement is requested for residential beds added on or after July 1, 2020.
3. Services eligible for the voucher program include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical

clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.

**SECTION 26. AMENDMENT.** Section 50-06-42 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-42. Substance use disorder treatment voucher system.**

1. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services provided by licensed substance abuse treatment programs, excluding regional human service centers, hospital- or medical clinic-based programs for medical management of withdrawal, and any institution for mental diseases in accordance with subsection 2.
2. The department shall deny a licensed substance abuse treatment program's substance use disorder treatment voucher system application and deny reimbursement by the substance use disorder treatment voucher system if the licensed substance abuse treatment program is an institution for mental diseases and reimbursement is requested for residential beds added on or after July 1, 2020.
3. Services eligible for the voucher program include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.
4. The department shall allocate funding appropriated for the substance use disorder treatment voucher as follows:
  - a. No more than forty-five percent of the appropriated amount may be allocated for residential substance use disorder services administered by licensed substance abuse treatment programs with more than sixteen beds.
  - b. The remaining appropriation must be allocated for residential programs with sixteen or fewer beds, nonresidential outpatient, and ancillary substance use disorder services administered by licensed substance abuse treatment programs.

**SECTION 27.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**Behavioral health bed management system.**

The department shall establish and maintain a behavioral health bed management system to improve utilization of behavioral health bed capacity. Public and private providers of residential or inpatient behavioral health services shall participate in and report daily to the department the information and documentation necessary to maintain the behavioral health bed management system in the form and manner prescribed by the department.

**SECTION 28. AMENDMENT.** Section 50-11.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**50-11.1-14. Workforce development.**

1. The department may establish a statewide system to build systematic early childhood workforce voluntary training which may include distance learning formats, a professional registry, certificates, and specializations.
2. The department may charge reasonable fees for all training and development courses to offset costs. All fees collected under this section must be paid to the department or the department's authorized agent and must be used to defray the cost of providing training and development courses to providers and staff members of early childhood services.

**SECTION 29.** A new paragraph to subdivision I of subsection 1 of section 50-11.1-22 of the North Dakota Century Code, as created by section 8 of House Bill No. 1416, as approved by the sixty-seventh legislative assembly, is created and enacted as follows:

A special education director:

**SECTION 30. AMENDMENT.** Section 50-24.1-02.7 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-02.7. Workers with disabilities coverage.**

The department shall establish and implement a buyin program to provide medical assistance to an individual who, except for substantial gainful activity, meets the definition of disabled under the supplemental security income program under title XVI of the federal Social Security Act, who is at least sixteen but less than sixty-five years of age, and who is gainfully employed. The program must:

1. ~~Be~~Must be made available to an individual with a disability who is a member of a household with a net income less than two hundred twenty-five percent of the most recently revised official poverty line published by the federal office of management and budget applicable to the household size;
2. ~~Allow~~Must allow up to an additional ten thousand dollars in assets;
3. ~~Require~~Must require the payment of a premium that is based upon a sliding scale which may not be less than two and one-half percent nor more than seven and one-half percent of the individual's gross countable income;
4. ~~Include~~Must include a one-time program enrollment fee of one hundred dollars; ~~and~~
5. ~~Provide~~Must provide that the failure of an enrolled individual to pay premiums for three months may result in the termination of enrollment in the program; and
6. May not require the payment of a premium or enrollment fee or disenroll an individual for failure to pay a premium or enrollment fee for workers with disabilities coverage during a federally declared emergency if collection of the premium or enrollment fee may impact the receipt of federal funds.

**SECTION 31. AMENDMENT.** Section 50-24.1-31 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-31. Optional medical assistance for families of children with disabilities.**

1. The department shall establish and implement a buyin program under the federal Family Opportunity Act enacted as part of the Deficit Reduction Act of 2005 [Pub. L. 109-171; 120 Stat. 4; 42 U.S.C. 1396] to provide

medical assistance and other health coverage options to families of children with disabilities and whose net income does not exceed two hundred fifty percent of the federal poverty line published by the federal office of management and budget applicable to the household size.

2. The department may not require the payment of a premium or disenroll an individual for failure to pay a premium for families of children with disabilities coverage during a federally declared emergency if collection of the premium may impact the receipt of federal funds."

Page 9, line 16, overstrike "Effective through"

Page 9, line 17, overstrike "July 31,"

Page 9, line 17, remove "2023"

Page 9, line 17, overstrike "-"

Page 11, remove the overstrike over line 1

Page 11, line 2, remove the overstrike over "section is"

Page 11, line 4, after "section" insert "an open record"

Page 11, line 4, remove the overstrike over the overstruck period

Page 11, after line 4, insert:

**"SECTION 34.** A new section to chapter 50-24.1 of the North Dakota Century Code is created and enacted as follows:

**Interpreter services.**

Medical assistance coverage, including Medicaid expansion, must include payment for sign and oral language interpreter services for assistance in providing covered health care services to a recipient of medical assistance who has limited English proficiency or who has hearing loss and uses interpreting services. The department shall adopt rules to implement this section."

Page 11, after line 13, insert:

**"SECTION 37. CONVEYANCE OF LAND AUTHORIZED - LIFE SKILLS AND TRANSITION CENTER.** The state of North Dakota, by and through the department of human services, may convey real property associated with the life skills and transition center in Grafton to the Grafton fire department. The department of human services may convey a parcel of land, 7.45 acres, more or less, located in part of lot 1, block 1, state school first addition to the city of Grafton, which is located within the southwest ¼ of the southwest ¼ of section 13, township 157 north, range 53 west, on the terms and conditions determined appropriate by the department and attorney general. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance."

Page 11, remove lines 23 through 28

Page 12, line 3, replace "4" with "8"

Page 13, remove lines 13 through 31

Page 14, replace lines 1 through 6 with:

**SECTION 48. EXEMPTION.** The sum of \$750,000 from the general fund appropriated to the department of human services for the purpose of providing suicide prevention grants in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation

are available for the suicide prevention grants during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 49. EXEMPTION.** The sum of \$3,000,000 from the general fund appropriated to the department of human services for the purpose of providing a community behavioral health program to provide comprehensive community-based services for individuals who have serious behavioral health conditions in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the community behavioral health program during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 50. EXEMPTION.** The sum of \$335,000 from the general fund appropriated to the department of human services for the purpose of providing a grant to an entity to develop a hyperbaric oxygen therapy pilot program in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the grant to an entity to develop a hyperbaric oxygen therapy pilot program during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 51. EXEMPTION.** The sum of \$572,000 from the strategic investment and improvements fund appropriated to the department of human services for the purpose of a roof replacement project at the state hospital in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the roof replacement project at the state hospital during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 52. EXEMPTION.** The amount appropriated for the development of the electronic visit verification project in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2019-21 biennium are available for the completion of the electronic visit verification project during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 53. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT.** It is the intent of the sixty-seventh legislative assembly that the department of human services seek a deficiency appropriation from the sixty-eighth legislative assembly for any expenditures that exceed appropriated amounts as a result of utilization rates, nursing home costs associated with the establishment of the new rate structure as provided in House Bill No. 1090, or developmental disability provider reimbursement rate adjustments, during the biennium beginning July 1, 2021, and ending June 30, 2023, if funding is not sufficient to pay actual expenses.

**SECTION 54. DEVELOPMENTAL DISABILITY PROVIDER RATES.** By July 1, 2021, the department of human services, in consultation with the developmental disabilities payment steering committee, shall identify \$6,950,000 in reductions to be made to payment rates for intermediate care facilities and residential services for individuals with developmental disabilities, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 55. LEGISLATIVE INTENT - STATE FISCAL RECOVERY FUND OR OTHER FUNDS - TRANSITION OF INDIVIDUALS FROM LIFE SKILLS AND TRANSITION CENTER.** It is the intent of the sixty-seventh legislative assembly that the department of human services seek an appropriation during any special session of the sixty-seventh legislative assembly from the state fiscal recovery fund received through H.R. 1319 of the 117th Congress, also known as the federal American Rescue Plan Act, or from any eligible federal or other funds made available to the department, for the purpose of transitioning individuals from the life skills and transition center to community-based providers.

**SECTION 56. LEGISLATIVE INTENT - SUPPORTED EMPLOYMENT FUNDING.** It is the intent of the sixty-seventh legislative assembly that funding appropriated from the general fund for supported employment in section 1 of this Act be used to continue contracts with existing evidence-based supported employment

providers during the biennium beginning July 1, 2021, and ending June 30, 2023, and that any funding available through the federal Medicaid 1915(i) state plan amendment be utilized before funding appropriated from the general fund.

**SECTION 57. LEGISLATIVE INTENT - CONSULTANTS.** It is the intent of the sixty-seventh legislative assembly that the department of human services and state department of health utilize federal funds available to the departments to obtain consulting services to facilitate the merger of the department of human services and state department of health as provided for in House Bill No. 1247 as approved by the sixty-seventh legislative assembly for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 58. LEGISLATIVE INTENT - PROVIDER RATE INCREASE.** Section 1 of this Act includes funding for human service provider inflation increases of two percent the first year and one-quarter of one percent the second year of the biennium beginning July 1, 2021, and ending June 30, 2023. It is the intent of the sixty-seventh legislative assembly that future special sessions of the sixty-seventh legislative assembly consider an additional second year inflationary increase during the 2021-23 biennium based on any extensions of the enhanced federal Medicaid assistance percentage and a review of budget needs of all areas of the department of human services.

**SECTION 59. REPORT TO LEGISLATIVE MANAGEMENT - EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT PROGRAM.** During the 2021-22 interim, the department of human services shall conduct a study of the early and periodic screening, diagnostic, and treatment program and prepare a report. The department of human services may contract with a consultant to assist in the study and the preparation of the report. The report shall include data on the number, ages, and geographic locations of children receiving screening, diagnostic, and treatment services; the capacity of the program to ensure all children who require screening, diagnostic, and treatment services are identified and receive services; data on the disposition of referrals of children who are screened and eligible for diagnostic and treatment services, including how many receive services and how many do not receive those services by county; an assessment of the program's efforts to provide comprehensive screening and treatment for children as required by federal law; an assessment of the deficits of the program's efforts to provide comprehensive screening and treatment as required by federal law; recommendations to ensure or expand services so that all eligible children are adequately served by the program; and additional data needed to assess the program accountability and efficiency. Before October 1, 2022, the department of human services shall provide the report to the legislative management.

**SECTION 60. REPORT TO LEGISLATIVE MANAGEMENT - REVISED PAYMENT METHODOLOGY FOR BASIC CARE FACILITIES.** The department of human services, in collaboration with basic care providers and other representatives of the basic care industry, shall develop a report for payment methodology revisions for basic care facilities that must include recommendations for:

1. Methods of reimbursement for basic care facility cost categories, including direct care, indirect care, room and board, and property; and
2. The feasibility of standardizing payments for basic care facilities in the same peer group.

Before October 1, 2022, the department shall present the report to the legislative management regarding the revised payment methodology. The estimated costs related to the implementation of the payment methodology revisions must be included in the department's 2023-25 biennium budget request submitted to the sixty-eighth legislative assembly.

**SECTION 61. LEGISLATIVE MANAGEMENT REPORT - FOUR-YEAR OLD PROGRAM - EARLY CHILDHOOD GRANTS.** During the 2021 22 interim, the department of human services shall provide reports to the legislative management regarding the status of four-year old program approvals, the North Dakota early

childhood council, and the early childhood grant for best in class four-year old experiences.

**SECTION 62. SUBSTANCE USE DISORDER TREATMENT VOUCHERS - REPORT TO BUDGET SECTION.** During the 2021-22 interim, the department of human services behavioral health division shall submit quarterly reports to the budget section on the status of the substance use disorder treatment voucher system program, including data on the utilization of the program, data on program expenditures, and an estimate of the number of months of funding remaining in the program.

**SECTION 63. TRANSFER OF EMPLOYEES.** The department of human services may use the identified twenty-seven full-time equivalent child care licensing positions of the human service zone transferred to the department pursuant to chapter 391 of the 2019 Session Laws for child care licensing, quality control, and early childhood administration.

**SECTION 64. RETROACTIVE APPLICATION.** Section 25 of this Act applies retroactively to July 1, 2020.

Page 14, line 7, replace "Section 17" with "Sections 22 and 33"

Page 14, line 7, replace "becomes" with "become"

Page 14, line 9, replace "14" with "24"

Page 14, line 11, replace "Section" with "The sum of \$2,457,638 from the federal coronavirus relief fund included in subdivision 2 of section 1 for senior nutrition services, sections"

Page 14, line 11, after "3" insert ", 5, 30, 31, and 54"

Page 14, line 11, replace "is" with ", and section 22 of Senate Bill No. 2086, as approved by the sixty seventh legislative assembly, are"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:  
STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1012 - Summary of Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
<b>Office of Management and Budget</b>						
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	25,000	25,000	0	25,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
<b>Legislative Council</b>						
Total all funds	\$0	\$0	\$500,000	\$500,000	\$0	\$500,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$500,000	\$500,000	\$0	\$500,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
<b>State Department of Health</b>						
Total all funds	\$0	\$0	\$563,430	\$563,430	\$563,430	\$0
Less estimated income	0	0	281,715	281,715	281,715	0
General fund	\$0	\$0	\$281,715	\$281,715	\$281,715	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
<b>DHS - Management</b>						
Total all funds	\$154,711,362	\$231,188,314	\$6,412,831	\$237,601,145	\$239,601,145	(\$2,000,000)
Less estimated income	90,021,088	139,928,943	1,698	139,930,641	139,930,641	0
General fund	\$64,690,274	\$91,259,371	\$6,411,133	\$97,670,504	\$99,670,504	(\$2,000,000)
FTE	107.95	97.85	0.00	97.85	97.85	0.00



**Department 160 - Legislative Council - Detail of Conference Committee Changes**

	Adds Funding for Legislative Management Study <sup>1</sup>	Total Conference Committee Changes
Legislative management study	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	0	0
General fund	\$500,000	\$500,000
FTE	0.00	0.00

<sup>1</sup> One-time funding is added for consultant costs associated with a study of the statewide acute psychiatric and residential care needs. The House and Senate versions did not include this funding.

**House Bill No. 1012 - State Department of Health - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Grants			\$563,430	\$563,430	\$563,430	
Total all funds	\$0	\$0	\$563,430	\$563,430	\$563,430	\$0
Less estimated income	0	0	281,715	281,715	281,715	0
General fund	\$0	\$0	\$281,715	\$281,715	\$281,715	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 301 - State Department of Health - Detail of Conference Committee Changes**

	Adds Funding for Task Force <sup>1</sup>	Total Conference Committee Changes
Grants	\$563,430	\$563,430
Total all funds	\$563,430	\$563,430
Less estimated income	281,715	281,715
General fund	\$281,715	\$281,715
FTE	0.00	0.00

<sup>1</sup> Funding is added to provide a grant to the Task Force on the Prevention of Sexual Abuse of Children for staff and programming materials focused on primary prevention activities. The Senate also added this funding.

**House Bill No. 1012 - DHS - Management - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$20,222,500	\$19,332,219	\$7,638	\$19,339,857	\$19,339,857	
Operating expenses	134,438,862	211,781,095	6,405,193	218,186,288	220,186,288	(\$2,000,000)
Capital assets	50,000	75,000		75,000	75,000	
Total all funds	\$154,711,362	\$231,188,314	\$6,412,831	\$237,601,145	\$239,601,145	(\$2,000,000)
Less estimated income	90,021,088	139,928,943	1,698	139,930,641	139,930,641	0
General fund	\$64,690,274	\$91,259,371	\$6,411,133	\$97,670,504	\$99,670,504	(\$2,000,000)
FTE	107.95	97.85	0.00	97.85	97.85	0.00

**Department 326 - DHS - Management - Detail of Conference Committee Changes**

	Adjusts Funding for Management <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$7,638	\$7,638
Operating expenses	6,405,193	6,405,193
Capital assets		
Total all funds	\$6,412,831	\$6,412,831
Less estimated income	1,698	1,698
General fund	\$6,411,133	\$6,411,133
FTE	0.00	0.00

<sup>1</sup> Funding for management is adjusted as follows:

2021-23 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.		\$5,940	\$1,698	\$7,638
A portion of funding reduced by the House for operating expenses is restored. The Senate restored the entire \$8,405,193 reduced by the House.		6,405,193		6,405,193
Total ongoing funding changes	0.00	\$6,411,133	\$1,698	\$6,412,831

### House Bill No. 1012 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$68,994,873	\$119,359,007	\$3,367,122	\$122,726,129	\$126,777,313	(\$4,051,184)
Operating expenses	150,961,583	166,664,510	4,611,975	171,276,485	170,131,921	1,144,564
Capital assets	10,000	10,000		10,000	10,000	
Grants	452,041,904	461,353,354	6,093,486	467,446,840	466,005,392	1,441,448
Grants - Medical assistance	2,742,157,720	3,015,188,700	22,967,890	3,038,156,590	3,057,186,378	(19,029,788)
Total all funds	\$3,414,166,080	\$3,762,575,571	\$37,040,473	\$3,799,616,044	\$3,820,111,004	(\$20,494,960)
Less estimated income	2,232,568,138	2,468,391,493	37,159,380	2,505,550,873	2,506,594,323	(1,043,450)
General fund	\$1,181,597,942	\$1,294,184,078	(\$118,907)	\$1,294,065,171	\$1,313,516,681	(\$19,451,510)
FTE	383.25	648.67	17.50	666.17	691.17	(25.00)

### Department 328 - DHS - Program/Policy - Detail of Conference Committee Changes

	Adjusts Funding for Program and Policy <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$3,367,122	\$3,367,122
Operating expenses	4,611,975	4,611,975
Capital assets		
Grants	6,093,486	6,093,486
Grants - Medical assistance	22,967,890	22,967,890
Total all funds	\$37,040,473	\$37,040,473
Less estimated income	37,159,380	37,159,380
General fund	(\$118,907)	(\$118,907)
FTE	17.50	17.50

<sup>1</sup> Funding for Program and Policy is adjusted as follows:

2021-23 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Provides salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.		(\$3,512)	(\$24,341)	(\$27,853)
Adjusts provider inflation funding to provide a 2.0 percent increase the 1 <sup>st</sup> year of the biennium and a 0.25 percent increase the 2 <sup>nd</sup> year of the biennium. The House provided 1.0 percent annual inflationary increases. The Senate provided a 1.5 percent increase the 1 <sup>st</sup> year of the biennium and a 2.0 percent increase the 2 <sup>nd</sup> year of the biennium.		5,520,484	5,863,322	11,383,806
Adds funding and FTE positions for refugee resettlement services. The positions and funding were also added by the Senate.	4.00		4,337,408	4,337,408
<b>Economic Assistance</b>				
Adds 1 FTE specialty eligibility position. The Senate also added this position.	1.00	43,639	130,917	174,556

**Child Support**

Adds FTE positions and funding for duties being transferred from the judicial branch to Child Support. The Senate also added the funding and FTE positions.	3.50	308,126	209,662	517,788
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**Medical Services**

Increases funding from the community health trust fund to \$31.5 million and reduces funding from the general fund. The House and Senate versions included \$24 million from the community health trust fund.		(7,500,000)	7,500,000	0
Adds funding to allow interpreter services to be covered by Medicaid, the same as the Senate.		249,600	249,600	499,200
Adds funding for the costs to provide Medicaid coverage for continuous glucose monitoring devices as provided in House Bill No. 1288. The Senate also added this funding.		479,585	1,297,885	1,777,470
Adjusts funding based on changes to the tribal health care coordination fund in House Bill No. 1407, the same as the Senate.			7,181,628	7,181,628
Adds funding for costs to provide Medicaid coverage of metabolic supplements as provided in Senate Bill No. 2224. The Senate also added this funding.		9,300	10,700	20,000

**Long-Term Care**

Adjusts funding based on updated estimates regarding funding needed to provide services resulting from a federal Department of Justice lawsuit settlement agreement, the same as the Senate.		(619,550)	(712,824)	(1,332,374)
Transfers \$300,000 of funding from the autism waiver program to the autism voucher program, the same as the Senate.				0

**Aging Services**

Increases funding for dementia services grants to provide a total of \$1.3 million, the same as the Senate.		268,000		268,000
Funding is added from the federal Coronavirus Relief Fund for senior nutrition services. The House and Senate did not add this funding.			2,457,638	2,457,638
Adjusts funding for senior nutrition programs.		(1,000,000)		(1,000,000)

**Children and Family Services**

Restores funding for parent-to-parent support groups reduced as part of the 1915i realignment, the same as the Senate.		26,250		26,250
Adjusts funding for a new early childhood program to provide a portion of funding from federal funds received by the Department of Public Instruction, the same as the Senate.		(3,958,910)	3,958,910	0
Delays the realignment of therapeutic foster care targeted case management rates, the same as the Senate.		549,585	632,319	1,181,904
Adds funding for regulatory duties of child care and early childhood programs. The Senate version included 33 FTE positions for the regulation and delivery of early childhood programs.	8.00	430,000	150,000	580,000

**Behavioral Health Division**

Restores funding for parent-to-parent support groups reduced as part of the 1915i realignment, the same as the Senate.		5,625		5,625
Increases funding for substance use disorder vouchers to \$15 million and reduces substance use disorder grant funding to \$2 million. The House increased funding for the vouchers from \$8 million to \$12 million and the Senate increased funding from \$8 million to \$17 million. Both the House and Senate provided \$3 million for substance use disorder grants.		2,000,000		2,000,000
Adds 1 FTE grants and funding position. The Senate also added this position.	1.00	171,455		171,455
Adds funding from the federal Coronavirus Relief Fund for the community behavioral health program. The House and Senate versions did not include this funding.			1,750,000	1,750,000

**Developmental Disabilities**

Restores a portion of funding for small agency accreditation costs removed in the agency savings plan to provide a total of \$100,000, the same as the Senate. The House restored \$25,000 of funding.		75,000		75,000
Adds funding for the experienced parent program. The Senate also added this funding.		260,000		260,000
Restores funding removed in agency savings plan for Section 11 supported housing and employment, the same as the Senate.		373,261		373,261
Increases corporate guardianship slots by 10 to provide for total slots of 499. The Senate also added the slots.		98,311		98,311
Restores a portion of funding removed in agency savings plan for recreational and leisure services grants, the same as the Senate.		150,000		150,000
Adjusts funding for crisis beds to reflect updated budget estimates, the same as the Senate.		(30,156)	116,556	86,400
Restores a portion of funding reduced in the agency savings plan for adjustments to provider rates. The Senate restored the entire amount of \$11,150,000, of which \$5,240,000 is from the general fund.		2,000,000	2,200,000	4,200,000
Total ongoing funding changes	17.50	\$93,907	\$37,309,380	\$37,215,473

**One-Time Funding Items:**

Removes funding added by the House for a study of the use of an administrative services organization for Medicaid Expansion behavioral health services. The Senate also removed this funding.		(\$150,000)	(\$150,000)	(\$300,000)
Adds one-time funding to provide emergency stabilization grants to developmental disability providers. The Senate also added this funding.		125,000		125,000
Total one-time funding items		(\$25,000)	(\$150,000)	(\$175,000)
Total changes to House	17.50	\$118,907	\$37,159,380	\$37,040,473

**House Bill No. 1012 - DHS - County Social Services Financing - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
County social services	\$173,700,000	\$190,151,515	(\$234,129)	\$189,917,386	\$189,917,386	
Total all funds	\$173,700,000	\$190,151,515	(\$234,129)	\$189,917,386	\$189,917,386	\$0
Less estimated income	173,700,000	188,839,791	(162,796)	188,676,995	188,676,995	0
General fund	\$0	\$1,311,724	(\$71,333)	\$1,240,391	\$1,240,391	\$0
FTE	140.00	143.00	0.00	143.00	143.00	0.00

**Department 333 - DHS - County Social Services Financing - Detail of Conference Committee Changes**

	Adjusts Funding for Salaries and Wages <sup>1</sup>	Total Conference Committee Changes
County social services	(\$234,129)	(\$234,129)
Total all funds	(\$234,129)	(\$234,129)
Less estimated income	(162,796)	(162,796)
General fund	(\$71,333)	(\$71,333)
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary increases of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250. The adjustments are made as follows:

	General Fund	Other Funds	Total
DHS employees	(\$71,333)	\$762	(\$70,571)
County employees		(163,558)	(163,558)
Total	(\$71,333)	(\$162,796)	(\$234,129)

**House Bill No. 1012 - DHS - Field Services - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Human service centers	\$204,701,143	\$166,926,620	\$2,857,406	\$169,784,026	\$169,888,515	(\$104,489)
Institutions	137,476,480	130,617,763	(83,690)	130,534,073	133,534,073	(3,000,000)
Total all funds	\$342,177,623	\$297,544,383	\$2,773,716	\$300,318,099	\$303,422,588	(\$3,104,489)
Less estimated income	127,314,955	113,944,012	329,283	114,273,295	114,273,295	0
General fund	\$214,862,668	\$183,600,371	\$2,444,433	\$186,044,804	\$189,149,293	(\$3,104,489)
FTE	1,599.03	1,342.31	0.00	1,342.31	1,342.31	0.00

**Department 349 - DHS - Field Services - Detail of Conference Committee Changes**

	Adjusts Funding for Field Services <sup>1</sup>	Total Conference Committee Changes
Human service centers	\$2,857,406	\$2,857,406
Institutions	(83,690)	(83,690)
Total all funds	\$2,773,716	\$2,773,716
Less estimated income	329,283	329,283
General fund	\$2,444,433	\$2,444,433
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted for Field Services as follows:

2021-23 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July		(\$146,283)	\$22,582	(\$123,701)

1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.				
Funding for provider inflation is adjusted to provide a 2.0 percent increase the 1 <sup>st</sup> year of the biennium and a 0.25 percent increase the 2 <sup>nd</sup> year of the biennium. The Senate provided a 1.5 percent increase the 1 <sup>st</sup> year of the biennium and a 2.0 percent increase the 2 <sup>nd</sup> year of the biennium. The House provide 1.0 percent annual inflationary increases.	167,854			167,854
<b>Human Service Centers</b>				
A portion of funding for supportive housing grants reduced as part of the 1915i realignment is restored. The Senate restored funding of \$1.7 million.	1,747,086			1,747,086
Rent expenses removed in the agency savings plan for the Northeast Human Service Center are restored, the same as the Senate.	168,736			168,736
<b>Institutions</b>				
Funding for psychiatrist transition costs at the Life Skills and Transition Center is increased to \$183,040, the same as the Senate. The House provided funding of \$100,000 for transition costs.	83,040			83,040
Funding authority is added for adaptive equipment at the Life Skills and Transition Center, the same as the Senate.		306,701		306,701
Total ongoing funding changes	0.00	\$2,020,433	\$329,283	\$2,349,716
<b>One-Time Funding Items</b>				
Funding for a State Hospital study is removed and instead appropriated to the Legislative Council for a Legislative Management study. The House provided \$300,000 for a DHS study of the State Hospital complex and the Senate provided \$3 million for architectural reviews and the development of detailed plans for the construction of a new State Hospital.		(\$300,000)		(\$300,000)
One-time funding is added for heat pump and carpet replacement projects at the Southeast Human Service Center, the same as the Senate.	724,000			724,000
Total one-time funding changes	0.00	\$424,000	\$0	\$424,000
Total changes to House funding	0.00	\$2,444,433	\$329,283	\$2,773,716

### House Bill No. 1012 - Other Changes - Conference Committee Action

This amendment also:

- Adjusts the amount of funding being provided from the human service finance fund for the county social and human services program, the same as the Senate.
- Provides that DHS develop a funding methodology to distribute permanent supportive housing grants, the same as the Senate.
- Adds a section to provide for an emergency grant allocation program for developmental disabilities providers and removes a section relating to DHS applying for an Appendix K waiver. Neither the House nor Senate versions included this adjustment.
- Adjusts a section added by the Senate for DHS to work with applicable federal and private partners to resettle new refugees in communities in the state where resettlement efforts are not already occurring.
- Provides legislative intent regarding DHS seeking funding to transition individuals

from the Life Skills and Transition Center to private providers. The Senate included funding to transfer individuals to providers.

- Provides legislative intent regarding future appropriations for the federal Department of Justice lawsuit settlement, the same as the Senate.
- Provides for certain substance use disorder providers to be reimbursed at similar levels, provides for a moratorium on new substance use disorder residential providers, and provides for no more than 45 percent of substance use disorder vouchers be allocated for residential substance use disorder services administered by programs with more than 16 beds. The House provided for a limit of 30 percent of substance use disorder voucher may be used for residential services and the Senate increased the limit to 50 percent.
- Adds a section to authorize DHS to collect fees for early childhood services training and development courses, the same as the Senate.
- Removes the sunset clause on the Medicaid Expansion program and adjusts language regarding provider reimbursement rates being open records, the same as the Senate. The House extended the expiration date by 2 years.
- Adds a section to provide for interpreter services to be covered under the Medicaid program, the same as the Senate.
- Provides for DHS to establish a behavioral health bed management system, the same as the Senate.
- Authorizes the conveyance of land at the Life Skills and Transition Center to the Grafton Fire Department. The Senate also authorized this conveyance.
- Authorizes exemptions to continue appropriation authority into the 2021-23 biennium. The exemptions will reduce general fund turnback by \$4,085,000. The Senate also authorized the exemptions.
- Provides for DHS to conduct a study of the early and periodic screening, diagnostic, and treatment program, the same as the Senate.
- Removes a section providing for a DHS study of using an administrative services organization for behavioral health services in the Medicaid Expansion program. The Senate also added this section.
- Adjusts a section added by the Senate for DHS to develop a new payment methodology for basic care facilities in collaboration with the basic care industry.
- Provides for a DHS report to the Legislative Management regarding the early childhood 4-year old grant program. The Senate also added this report.
- Authorizes positions for child care licensing to be used for other purposes, the same as the Senate.
- Adds a section not included in the House or Senate versions to use person-first language in statute.
- Adds two sections not included in the House or Senate versions to prohibit the disenrollment of individuals in certain programs during federal emergencies if it would affect the receipt of federal funds. The sections are declared to be an emergency measure.
- Adds a section not included in the House or Senate versions to provide for DHS to reduce developmental disability provider rates by \$6.95 million for the 2021-23 biennium.
- Adds a section not included in the House or Senate versions to require DHS to submit quarterly reports to the Budget Section regarding substance use disorder treatment vouchers.
- Adds a section not included in the House or Senate versions to provide for DHS appropriation authority to transition to the Department of Health and Human Services on September 1, 2022, as provided in House Bill No. 1247.
- Adds a section not included in the House or Senate versions to prohibit DHS from spending any general fund savings resulting from federal enhancements to the federal medical assistance percentage above budgeted rates.
- Adds a section not included in the House or Senate versions to provide guidelines for supported employer funding.
- Adds a section not included in the House or Senate versions to transfer DHS appropriation authority to the Department of Health and Human Services on September 1, 2022.

- Adds a section not included in the House or Senate versions to provide intent that DHS and the State Department of Health utilize consulting services to facilitate the merger of the departments.
- Adds a section not included in the House or Senate versions to provide intent that future special sessions of the 67<sup>th</sup> Legislative Assembly consider providing an additional inflationary increase the 2<sup>nd</sup> year of the 2021-23 biennium.

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

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. J. NELSON MOVED** that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1012, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1012:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide an appropriation to the state department of health; to provide an appropriation to the legislative council; to provide an appropriation to the office of management and budget; to create and enact a new section to chapter 1-02, two new sections to chapter 50-06, and a new section to chapter 50-24.1 of the North Dakota Century Code, relating to person-first language, substance use disorder treatment voucher system grants, a behavioral health bed management system, and medical assistance coverage of interpreter services; to create and enact a new paragraph to subdivision 1 of subsection 1 of section 50-11.1-22 of the North Dakota Century Code as created by section 8 of House Bill No. 1416, as approved by the sixty-seventh legislative assembly, relating to the North Dakota early childhood council membership; to amend and reenact sections 50-06-42, 50-11.1-14, 50-24.1-02.7, 50-24.1-31, and 50-24.1-37 of the North Dakota Century Code, relating to the substance use disorder voucher program, early childhood workforce development fees, Medicaid coverage for workers with disability coverage and families of children with disabilities, and the Medicaid expansion program; to repeal section 50-24.1-18.1 of the North Dakota Century Code, relating to consumer-directed health maintenance services; to provide an exemption; to provide a statement of legislative intent; to provide for a report; to provide for a study; to provide for a transfer; to provide for the conveyance of land; to provide an application; to provide for retroactive application; 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 76 YEAS, 13 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hagert; Hanson; Hatlestad; Hauck; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Ostlie; Owens; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Sanford; Satrom; Schauer; Schmidt; Schneider; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Trottier; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke

**NAYS:** Becker; Christensen; Ertelt; Hoverson; Koppelman, B.; Magrum; Marschall; Paulson; Ruby, D.; Ruby, M.; Schatz; Toman; Speaker Koppelman, K.

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Kempenich; Schobinger

Reengrossed HB 1012 passed and the emergency clause was declared carried.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1015, as engrossed:** Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Delzer, Pollert, Boschee) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1589-1605, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1866-1883 of the House Journal and pages 1589-1605 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide an appropriation to the department of career and technical education, the department of public instruction, the university of North Dakota, Dickinson state university, the highway patrol, the judicial branch, the department of transportation, the department of commerce, and Mayville state university; to provide a contingent appropriation to the Bank of North Dakota; to create and enact a new section to chapter 10-04, a new section to chapter 24-02, and a new subsection to section 54-44-04 of the North Dakota Century Code, relating to notice filing for certain legacy fund investments, cooperative transportation agreements, and state employee salary increases;"

Page 1, line 3, after "reenact" insert "subsection 1 of section 10-04-03, section 54-09-05, as amended by section 4 of House Bill No. 1002, as approved by the sixty-seventh legislative assembly, a new chapter to title 54, as created by section 3 of House Bill No. 1452, as approved by the sixty-seventh legislative assembly, subsection 3 of section 54-44-11"

Page 1, line 5, after "to" insert "qualifications of the securities commissioner, the salary of the secretary of state, the clean sustainable energy authority, the balance of the state personnel training and development operating fund,"

Page 1, line 10, after "exemption" insert "; to provide a statement of legislative intent"

Page 1, line 11, remove "and"

Page 1, line 11, after "report" insert "; and to declare an emergency"

Page 1, remove lines 21 through 24

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$21,903,816	\$23,163	\$21,926,979
Operating expenses	14,937,426	1,375,788	16,313,214
Emergency commission contingency fund	500,000	(100,000)	400,000
Capital assets	767,125	4,767,494	5,534,619
Grants	54,000	(54,000)	0
Guardianship grants	1,950,000	500,000	2,450,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000
State student internship program	0	100,000	100,000
Total all funds	\$41,662,367	\$6,612,445	\$48,274,812
Less estimated income	8,746,515	5,501,898	14,248,413
Total general fund	\$32,915,852	\$1,110,547	\$34,026,399
Full-time equivalent positions	112.00	(4.00)	108.00"

Page 3, line 8, replace "biennium beginning July 1, 2021" with "period beginning with the effective date of this Act"

Page 3, line 10, after "**FUND**" insert "**- TAX RELIEF FUND**"

Page 3, line 11, after the boldfaced period insert:

"1. a."

Page 3, line 14, replace "\$8,100,000" with "\$8,200,000"

Page 3, line 15, after the comma insert "and out of any moneys in the tax relief fund in the state treasury, not otherwise appropriated, the sum of \$1,800,000, or so much of the sum as may be necessary,"

Page 3, line 18, after the period insert:

"b."

Page 3, line 18, replace "\$8,100,000" with "\$10,000,000"

Page 3, line 21, after "an" insert "equal"

Page 3, line 21, remove "of \$5,000"

Page 3, line 22, after the period insert:

"c."

Page 3, line 23, replace "section" with "subsection"

Page 3, line 24, replace "section" with "subsection"

Page 3, line 25, after the period insert:

"d."

Page 3, line 25, replace "section" with "subsection"

Page 3, line 27, replace "section" with "subsection"

Page 3, line 28, after the period insert:

"e."

Page 3, after line 31, insert:

2. a. There is appropriated out of any moneys in the tax relief fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the biennium beginning July 1, 2021, and ending June 30, 2023.
- b. In August 2021, the state treasurer shall distribute \$10,000,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation to each organized and unorganized township that is proportional to the number of township road miles in each organized and unorganized township relative to the combined total township road miles in all the organized and unorganized townships in all the non-oil-producing counties. The township road miles must be based on certifications provided to the state treasurer using roadway mileage criteria from the department of transportation.
- c. The amount allocated to organized townships under this subsection must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this subsection must be credited by the county treasurer to a special fund for unorganized township roads.

- d. The distributions under this subsection must be used for the maintenance and improvement of township paved and unpaved roads and bridges.
- e. For the purposes of this subsection, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2019, and ending August 31, 2020.

**SECTION 5. APPROPRIATION - FEDERAL FUNDS - DEPARTMENT OF TRANSPORTATION.** There is appropriated out of any moneys derived from federal funds, not otherwise appropriated, the sum of \$55,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of road and bridge projects, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of the \$55,000,000, \$35,000,000 is federal funds that may be matched by funding appropriated in section 10 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, for road and bridge projects, and \$20,000,000 is federal funds that may be matched by funding appropriated in section 4 of this Act for township road and bridge projects pursuant to cooperative agreements.

**SECTION 6. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - MATCHING FUNDS - ONE-TIME FUNDING.**

- 1. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of a statewide area career center initiative grant program for the period beginning with the effective date of this Act, and ending June 30, 2023. The department of career and technical education shall establish the application process and develop eligibility requirements for the grant program that must include:
  - a. Funding may be used only for career and technical education projects involving construction, addition, maintenance, and equipment for new and existing area career centers;
  - b. Grants awarded to each recipient must be at least \$500,000, but may not exceed \$10,000,000;
  - c. Grants may be awarded only to the extent a school district has secured matching funds from nonstate sources on a dollar-for-dollar basis;
  - d. An applicant identifying sufficient future nonstate sources of funding for ongoing operating and maintenance costs associated with a new or expanded area career center;
  - e. The application period for the grant program begins with the effective date of this Act and ends on June 30, 2022. Any funding not committed by December 31, 2022, may not be spent and must be canceled at the end of the 2021-23 biennium in accordance with section 54-44.1-11;
  - f. Preference must be given to school districts that collaborate with other school districts for a regional area career center facility or to school districts to create a new area career center or use an existing area career center to positively affect that region of the state; and
  - g. Preference must be given to school districts that will promote postsecondary education and workforce training education in conjunction with secondary education.

2. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$5,900,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing a grant to an entity for the development of a children's science center for the period beginning with the effective date of this Act, and ending June 30, 2023.
3. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the university of North Dakota for the purpose of reconstruction of the university's apron at the Grand Forks airport for the period beginning with the effective date of this Act, and ending June 30, 2023.
4. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of a Pulver hall project, a meat processing laboratory remodel, and other projects for the period beginning with the effective date of this Act, and ending June 30, 2023.
5. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the highway patrol for the purpose of a law enforcement training center remodel project for the period beginning with the effective date of this Act, and ending June 30, 2023.
6. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing a grant for the construction of a new medical center located in the county seat of Griggs County for the period beginning with the effective date of this Act, and ending June 30, 2023.
7. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$157,600, or so much of the sum as may be necessary, to the judicial branch for the purpose of purchasing information technology equipment for the period beginning with the effective date of this Act, and ending June 30, 2023.
8. If the federal government distributes funding derived from the federal coronavirus capital projects fund to the state in more than one funding round, the office of management and budget shall prioritize the amounts received in the first funding round as follows:
  - a. \$19,763,000 to the department of career and technical education;
  - b. \$11,716,400 to the parks and recreation department;
  - c. \$5,900,000 to the department of public instruction;
  - d. \$5,000,000 to the university of North Dakota;
  - e. \$4,200,000 to the state historical society;
  - f. \$4,000,000 to Dickinson state university;
  - g. \$3,000,000 to the highway patrol;
  - h. \$2,000,000 to the agriculture commissioner;
  - i. \$500,000 to the office of management and budget; and

- j. \$157,600 to the judicial branch.
9. The funding provided under this section may be spent only to the extent the director of the office of management and budget, in consultation with the budget section, determines the use of the funding complies with federal guidance for the federal coronavirus capital projects fund. The funding provided under this section is considered a one-time funding item.

**SECTION 7. LEGISLATIVE INTENT - AREA CAREER CENTERS - FUTURE COSTS.** It is the intent of the sixty-seventh legislative assembly that school districts:

1. Prepare to provide for any future operating and maintenance costs relating to new or expanded area career centers resulting from the expenditure of federal coronavirus capital projects funds because state funds will not be provided to replace these federal funds; and
2. Prepare to provide increased local support for area career centers since state grant funding is limited and may not be available to support any increased future costs related to new or expanded area career centers completed with these federal funds.

**SECTION 8. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to the university of North Dakota for the purpose of a space command initiative and related technical programs, including equipment, renovation costs, a sensitive compartmental information facility, and other expenses for the biennium beginning July 1, 2021, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

**SECTION 9. APPROPRIATION - MAYVILLE STATE UNIVERSITY - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,600,000, or so much of the sum as may be necessary, to Mayville state university for a natural gas boiler project, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

**SECTION 10. APPROPRIATION - DEPARTMENT OF COMMERCE - DISCRETIONARY FUNDS - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing discretionary funds, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

**SECTION 11. APPROPRIATION - JUDICIAL BRANCH - VETERANS' COURT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$145,247, or so much of the sum as may be necessary, to the judicial branch for the purpose of establishing a veterans' treatment court in the northeast central judicial district, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 12. APPROPRIATION - JUDICIAL BRANCH - YOUTH CULTURAL ACHIEVEMENT PROGRAMS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$90,000, or so much of the sum as may be necessary, to the judicial branch for youth cultural achievement programs, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 13. 2019-21 BIENNIUM APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND - 2021-23 BIENNIUM APPROPRIATION - HIGHWAY FUND AND FEDERAL FUNDS - REPORT.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, which the office of management and budget shall transfer to the highway fund during the period beginning with the effective date of this Act, and ending June 30, 2021. The funds transferred to the highway fund must be maintained and reported separately from other funds in the highway fund.
2. There is appropriated out of any moneys in the highway fund, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of matching federal discretionary funds received in excess of the regular federal funding amounts included in the department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000 for matching federal funds for township road and bridge projects.
3. There is appropriated from federal funds, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects for the biennium beginning July 1, 2021, and ending June 30, 2023.
4. On June 30, 2023, the office of management and budget shall transfer any unexpended and unobligated funds transferred to the highway fund under subsection 1 to the general fund.
5. During the 2021-22 interim, the department of transportation shall provide quarterly reports to the budget section regarding the use of funds transferred from the general fund to the highway fund.

#### **SECTION 14. LEGACY FUND EARNINGS ESTIMATE - 2019-21**

**BIENNIUM.** For legislative council budget status reporting purposes, the sixty-seventh legislative assembly estimates \$736,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2019, and ending June 30, 2021.

#### **SECTION 15. CONTINGENT APPROPRIATION - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY - LOAN REPAYMENT - ONE-TIME FUNDING.**

Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$17,500,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of repaying the loan authorized in section 8 of chapter 26 of the 2019 Session Laws related to the Theodore Roosevelt presidential library, for the biennium beginning July 1, 2021, and ending June 30, 2023. The funding provided in this section is available only if the actual July 1, 2021, general fund balance exceeds the legislative estimate made at the close of the 2021 legislative session by at least \$17,500,000, as determined by the office of management and budget. This funding is considered a one-time funding item.

#### **SECTION 16. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND.**

The office of management and budget shall transfer the sum of \$410,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

#### **SECTION 17. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO CULTURAL ENDOWMENT FUND - INTENT.**

The office of management and budget shall transfer the sum of \$1,000,000 from the strategic investment and improvements fund to the cultural endowment fund during the biennium beginning July 1, 2021, and ending June 30, 2023. It is the intent of the sixty-seventh legislative assembly that the council on the arts expend up to \$50,000 annually from the cultural endowment fund pursuant to the appropriation authority provided in section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance of the public arts projects constructed as part of the North Dakota creative placemaking program. It is further the intent of the legislative assembly that

the council on the arts continue to expend \$50,000 annually from the cultural endowment fund for the maintenance of the public arts projects constructed as part of the North Dakota creative placemaking program until the moneys derived from the strategic investment and improvements fund transfer authorized under this section and deposited in the fund have been fully expended."

Page 4, line 2, replace "\$187,385,888" with "\$187,223,092"

Page 4, line 11, replace "\$2,268,800" with "\$2,168,800"

Page 4, line 12, replace "\$2,268,800" with "\$2,168,800"

Page 4, line 14, replace "\$600,000" with "\$500,000"

Page 4, replace line 26 with:

"Statewide memberships and related expenses \$642,089"

Page 5, line 10, remove "and a maximum of \$250"

Page 5, line 11, remove "per month"

Page 5, line 11, replace "each" with "the first"

Page 5, line 11, after "biennium" insert "and are to average 2 percent per eligible employee for the second year of the biennium"

Page 5, line 15, remove "and maximum"

Page 5, after line 26, insert:

**"SECTION 25. AMENDMENT.** Subsection 1 of section 10-04-03 of the North Dakota Century Code is amended and reenacted as follows:

1. The state securities department is under the supervision of a chief officer designated as the securities commissioner. The securities commissioner must be appointed by the governor and confirmed by the senate and shall hold office for a term of four years, beginning on the first day of July following a national presidential election and continuing until a successor has been appointed, confirmed by the senate, and has qualified, unless removed as herein provided. If the senate is not in session, the governor may make an interim appointment, and the interim appointee ~~shall~~ may hold office until the senate confirms or rejects the appointment. ~~The commissioner must be skilled in securities and may not be an incumbent of any other public office in the state.~~ The commissioner may not own or control any security required to be registered under this chapter, or any security which is exempt based on the approval of the securities department. The commissioner may not be an officer, director, or employee of any broker-dealer, agent, investment adviser, or investment adviser representative required to be registered under this chapter, or of a federal covered adviser required to be notice-filed under this chapter. The governor may remove from office any commissioner who fails to discharge faithfully the duties of office or who becomes disqualified under the provisions of this section.

It is the prime duty of the commissioner to administer the provisions of this chapter. The commissioner shall receive a salary within the amount appropriated for salaries by the legislative assembly. The commissioner shall use a seal with the words "securities commissioner, North Dakota" and such design as the commissioner may prescribe engraved thereon by which seal the commissioner may authenticate documents used in the administration of this chapter. The commissioner may employ such employees as are necessary for the administration of this chapter. In the absence or disability of the commissioner, the deputy or designee of the

commissioner ~~shall~~ may administer the provisions of this chapter as acting commissioner.

**SECTION 26.** A new section to chapter 10-04 of the North Dakota Century Code is created and enacted as follows:

**Legacy fund investments - Notice filing.**

1. Within thirty days of completion of the transaction, any issuer of securities in receipt of an investment from the legacy fund under paragraph 3 of subdivision a of subsection 3 of section 21-10-11 or under subdivision b of subsection 3 of section 21-10-11, as created by section 4 of House Bill No. 1425 as approved by the sixty-seventh legislative assembly, shall file electronically a notice on a form prescribed by the commissioner and containing information as required by the commissioner.
2. The notice filing requirement under this section does not exempt the issuer from or supersede any other provision of this chapter.

**SECTION 27.** A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

**Cooperative agreements - Federal transportation-related aid and safety and mobility.**

The director may enter into cooperative agreements with any transferee under section 54-27-19 or any federal agency operating a national park and may expend highway fund moneys pursuant to legislative appropriations to match federal funds for the purposes of providing assistance with the assessment, design, and construction of projects to improve the safety and mobility of people or goods in the state.

**SECTION 28. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code, as amended by section 4 of House Bill No. 1002, as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**54-09-05. Salary of secretary of state.**

The annual salary of the secretary of state is one hundred twelve thousand two hundred forty-one dollars through June 30, ~~2024~~2022, and one hundred fourteen thousand four hundred eighty-six dollars thereafter.

**SECTION 29. AMENDMENT.** A new chapter to title 54 of the North Dakota Century Code, as created by section 3 of House Bill No. 1452 as approved by the sixty-seventh legislative assembly, is amended and reenacted as follows:

**Definitions.**

As used in this chapter:

1. "Authority" means the clean sustainable energy authority.
2. "Clean" means a technology or concept that reduces emissions to the air, water, or land and meets or exceeds state and federal environmental regulations.
3. "Commission" means the industrial commission.
4. "Fund" means the clean sustainable energy fund.
5. "Program" means the clean sustainable energy program.
6. "Sustainable" means a technology or concept that allows the use of a natural resource to be maintained or enhanced through increased

efficiency and life cycle benefits while either increasing or not adversely impacting energy security, affordability, reliability, resilience, or national security.

#### **Clean sustainable energy authority - Purpose.**

There is created the clean sustainable energy authority to support research, development, and technological advancements through partnerships and financial support for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery. The purpose of the financial support is to enhance the production of clean sustainable energy, to make the state a world leader in the production of clean sustainable energy, and to diversify and grow the state's economy.

#### **Clean sustainable energy authority - Membership - Meetings.**

1. The clean sustainable energy authority consists of sixteen members, including eight voting members and eight nonvoting technical advisors.
2. The eight voting members consist of:
  - a. One member appointed by the legislative management to serve as chairman;
  - b. Two members appointed by the lignite research council;
  - c. Two members appointed by the oil and gas research council;
  - d. Two members appointed by the renewable energy council; and
  - e. One member appointed by the western Dakota energy association.
3. The eight nonvoting technical advisors consist of:
  - a. One member appointed by the North Dakota outdoor heritage fund advisory board;
  - b. The commissioner of commerce or the commissioner's designee;
  - c. The director of the department of environmental quality or the director's designee;
  - d. The director of mineral resources or the director's designee;
  - e. The director of the North Dakota pipeline authority or the director's designee;
  - f. The director of the North Dakota transmission authority or the director's designee;
  - g. The director of the state energy research center or the director's designee; and
  - h. The president of the Bank of North Dakota or the president's designee; and
4. The term of office for the chairman is two years. The term of office for the other voting members is four years, and the other voting members may not serve more than two consecutive terms. The terms of office for the voting members commence on July first. The initial terms for the voting members of the authority must be staggered following a method determined by the authority.

5. The authority shall meet at least semiannually. The chairman shall call a meeting upon written request from three voting members of the authority. Five voting members is a quorum at any meeting.
6. The authority may not forward a recommendation to the commission unless the recommendation fulfills the purposes of this chapter and is approved by a majority of the voting members of the authority.

**Clean sustainable energy authority - Duties - Report.**

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.
4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies selected by the commission for funding must have been recommended by the authority, must demonstrate feasibility based on a technical review conducted by the nonvoting technical advisors of the authority, must have other sources of financial support, and must achieve the priorities and purposes of the program. At the request of the authority, the Bank of North Dakota shall provide a recommendation regarding the economic feasibility of a project, process, activity, or technology under consideration by the authority. The Bank shall review the business plan, financial statements, and other information necessary to provide a recommendation.
5. The authority may consult with any other state agency necessary to carry out the purposes under this chapter.
6. Each biennium, the authority shall provide a written report to the legislative management regarding its activities and the program's financial impact on state revenues and the state's economy.

**Clean sustainable energy program - Powers and duties of the commission.**

1. The commission is granted all the powers necessary to carry out the purposes of this chapter, including the power to:

- a. Provide grants, loans, or other forms of financial assistance to qualified entities for the research, demonstration, development, and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and use energy sources derived from within the state. Other forms of financial assistance include venture capital investments and interest rate buydowns. The commission must require an entity to provide assurance of financial and other types of support that demonstrate a commitment to the project, process, activity, or technology. The commission may develop policies for the approval of loans or loan guarantees issued from the clean sustainable energy fund.
  - b. Enter into contracts or agreements to carry out the purposes of this chapter, including contracting for the administration of the program.
  - c. Keep accurate records of all financial transactions performed under this chapter.
  - d. Cooperate with any private, local, state, or national organization to make contracts and agreements for programs that advance the mission of the program.
  - e. Accept loan repayments, donations, grants, contributions, or gifts from any public or private source to carry out the purposes of this chapter, which must be deposited in the clean sustainable energy fund.
  - f. Make guidelines necessary to carry out the purposes of this chapter, including guidelines relating to the ownership of intellectual property.
  - g. Borrow from the Bank of North Dakota, as authorized by the legislative assembly, to make loans or loan guarantees under a loan program or loan guarantee program developed by the clean sustainable energy authority.
2. The commission may acquire, purchase, hold, use, lease, license, sell, transfer, or dispose of any interest in an asset necessary for clean sustainable energy technology development to facilitate the production, transportation, distribution, or delivery of clean energy commodities produced in the state as a purchases of last resort.
  3. The commission shall provide administrative support to the authority for the operation of the program, including the preparation of forms, review of applications, and ongoing review of any contracts. The commission may contract with a public or private entity to provide technical assistance necessary to implement the purposes of this chapter.
  4. The commission is not subject to the reporting requirements under chapter 54-60.1.

**Clean sustainable energy program - Access to records.**

1. To the extent the commission or authority determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the commission or receiving commission services under this chapter, materials and data submitted to, made by, or received by the commission or authority, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.
2. A person or entity may file a request with the commission to have material designated as confidential under subsection 1. The request must contain any information required by the commission and must include at least the following:

- a. A general description of the nature of the information sought to be protected.
  - b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
  - c. An explanation of why the information is not readily ascertainable by proper means of other persons.
  - d. A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.
  - e. A description of the efforts used to maintain the secrecy of the information.
3. Any request under subsection 2 is confidential. The commission shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the commission determines the information is either not relevant or not a trade secret, the commission shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are public record.
  4. The names or identities of independent technical reviewers on a project or program are confidential, may not be disclosed by the commission, and are not public records subject to section 44-04-18 or section 6 of article XI of the Constitution of North Dakota.

**Clean sustainable energy fund - Continuing appropriation - Line of credit - Loans - Repayments.**

1. There is created in the state treasury the clean sustainable energy fund. The fund consists of all moneys transferred to the fund by the legislative assembly; loan proceeds; interest upon moneys in the fund; principal and interest payments to the fund; and donations, grants, and other contributions received by the commission for deposit in the fund. All moneys in the fund are appropriated to the commission on a continuing basis to provide grants, loans, and other financial assistance and for administrative and operating costs of the authority and program pursuant to the provisions under this chapter.
2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees. The Bank of North Dakota shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The Bank shall contract with a certified public accounting firm to audit the fund annually if the fund has any outstanding loans. The cost of the audit must be paid from the fund.
3. The Bank of North Dakota shall extend a line of credit to the industrial commission to support loans or loan guarantees issued from the clean sustainable energy fund. The line of credit may not exceed two hundred fifty million dollars, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The industrial commission shall repay the line of credit from moneys available in the clean sustainable energy fund derived from payments received on loans issued under this chapter or other sources. If the moneys available from the clean sustainable energy fund on June 30, 2025, are not sufficient to repay the line of credit, the industrial commission shall request from the legislative assembly a

deficiency appropriation to repay the line of credit or the industrial commission may repay the line of credit from other funds, as appropriated by the legislative assembly.

4. The industrial commission may access the line of credit to the extent needed through June 30, 2025, to provide funding as authorized by the legislative assembly to support loans or loan guarantees issued from the clean sustainable energy fund. Any moneys borrowed from the Bank of North Dakota pursuant to this section must be transferred to the clean sustainable energy fund to support loans or loan guarantees.

**SECTION 30.** A new subsection to section 54-44-04 of the North Dakota Century Code is created and enacted as follows:

Shall prepare and submit a quarterly report to the legislative management of each executive branch agency that gives any full-time state employee salary increases between April 1, 2021, and June 30, 2023, which cumulatively are fifteen percent or more over the employee's base salary as of March 31, 2021. The report must include the name of each employee receiving the increase and any relevant salary information.

**SECTION 31. AMENDMENT.** Subsection 3 of section 54-44-11 of the North Dakota Century Code is amended and reenacted as follows:

3. The office of management and budget shall establish a state personnel training and development operating fund to be used for the coordination of employee training and career development data, supplies, equipment, and services and for providing or arranging necessary training and development programs to state departments and agencies. Funds in the state personnel training and development operating fund are appropriated on a continuing basis to the office of management and budget and may be spent for the purposes identified in this subsection. Any surplus in this fund in excess of ~~twenty-five~~ one hundred thousand dollars on June thirtieth of each year must be transferred to the state general fund."

Page 12, after line 12, insert:

**"SECTION 44. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE COMPENSATION.** During the 2021-22 interim, the legislative management shall consider studying the classified state employee compensation system, including a review of the development and determination of pay grades and classifications. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 45. LEGISLATIVE MANAGEMENT STUDY - BIOLOGIC MANUFACTURING SALES TAX EXEMPTION.** During the 2021-22 interim, the legislative management shall consider studying the fiscal impact of providing a sales tax exemption for raw materials critical to the manufacturing process used to support biologic product generation, product impurity removal, chemical or physical product alteration, and analysis of in-process to final deliverable products. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

**SECTION 46. EMERGENCY.** The following are declared to be an emergency measure:

1. Sections 3, 6, 9, and 13 of this Act;
2. Section 3 of House Bill No. 1349, as approved by the sixty-seventh legislative assembly;

3. \$12,000,000 appropriated from the federal coronavirus relief fund, of which \$6,565,432 is in the operating expenses line item and \$5,434,568 is in the grants line item in section 1 and identified in sections 2 and 8 of Senate Bill No. 2018, as approved by the sixty-seventh legislative assembly;
4. \$100,000 appropriated from the general fund for a motion picture production and recruitment grant in the grants line item in section 1 and identified in section 2 of Senate Bill No. 2018, as approved by the sixty-seventh legislative assembly;
5. Senate Bill No. 2140, as approved by the sixty-seventh legislative assembly; and
6. Senate Bill No. 2317, as approved by the sixty-seventh legislative assembly."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1015 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$41,662,367	\$47,361,750	\$1,413,062	\$48,774,812	\$48,824,813	(\$50,001)
Less estimated income	8,746,515	14,252,906	495,507	14,748,413	14,748,413	0
General fund	\$32,915,852	\$33,108,844	\$917,555	\$34,026,399	\$34,076,400	(\$50,001)
FTE	112.00	112.00	(4.00)	108.00	108.00	0.00
State Treasurer						
Total all funds	\$0	\$8,100,000	\$11,900,000	\$20,000,000	\$8,200,000	\$11,800,000
Less estimated income	0	8,100,000	11,900,000	20,000,000	8,200,000	11,800,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Judicial Branch						
Total all funds	\$0	\$0	\$392,847	\$392,847	\$157,600	\$235,247
Less estimated income	0	0	157,600	157,600	157,600	0
General fund	\$0	\$0	\$235,247	\$235,247	\$0	\$235,247
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Public Instruction						
Total all funds	\$0	\$0	\$5,900,000	\$5,900,000	\$5,900,000	\$0
Less estimated income	0	0	5,900,000	5,900,000	5,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
University of North Dakota						
Total all funds	\$0	\$0	\$9,000,000	\$9,000,000	\$9,000,000	\$0
Less estimated income	0	0	5,000,000	5,000,000	5,000,000	0
General fund	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Dickinson State University						
Total all funds	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$0
Less estimated income	0	0	4,000,000	4,000,000	4,000,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Mayville State University						
Total all funds	\$0	\$0	\$1,600,000	\$1,600,000	\$0	\$1,600,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,600,000	\$1,600,000	\$0	\$1,600,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education						

Total all funds	\$0	\$0	\$70,000,000	\$70,000,000	\$78,000,000	(\$8,000,000)
Less estimated income	0	0	70,000,000	70,000,000	78,000,000	(8,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Highway Patrol						
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000	\$3,000,000	\$0
Less estimated income	0	0	3,000,000	3,000,000	3,000,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Commerce						
Total all funds	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Agriculture						
Total all funds	\$0	\$0	\$0	\$0	\$5,000,000	(\$5,000,000)
Less estimated income	0	0	0	0	5,000,000	(5,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Transportation						
Total all funds	\$0	\$0	\$255,000,000	\$255,000,000	\$21,800,000	\$233,200,000
Less estimated income	0	0	255,000,000	255,000,000	21,800,000	233,200,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	\$41,662,367	\$55,461,750	\$363,205,909	\$418,667,659	\$183,882,413	\$234,785,246
Less estimated income	8,746,515	22,352,906	355,453,107	377,806,013	145,806,013	232,000,000
General fund	\$32,915,852	\$33,108,844	\$7,752,802	\$40,861,646	\$38,076,400	\$2,785,246
FTE	112.00	112.00	(4.00)	108.00	108.00	0.00

**House Bill No. 1015 - Office of Management and Budget - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$21,903,816	\$22,797,003	(\$870,024)	\$21,926,979	\$21,926,979	
Operating expenses	14,937,426	15,430,128	883,086	16,313,214	16,313,214	
Capital assets	767,125	5,534,619		5,534,619	5,534,619	
Grants	54,000					
Emergency commission contingency fund	500,000	400,000		400,000	400,000	
Guardianship grants	1,950,000	2,050,000	400,000	2,450,000	2,450,000	
Prairie public broadcasting	1,200,000	800,000	400,000	1,200,000	1,200,001	(\$1)
Community service supervision grants	350,000	250,000	100,000	350,000	400,000	(\$50,000)
Student internship program		100,000		100,000	100,000	
Federal coronavirus capital projects			500,000	500,000	500,000	
Total all funds	\$41,662,367	\$47,361,750	\$1,413,062	\$48,774,812	\$48,824,813	(\$50,001)
Less estimated income	8,746,515	14,252,906	495,507	14,748,413	14,748,413	0
General fund	\$32,915,852	\$33,108,844	\$917,555	\$34,026,399	\$34,076,400	(\$50,001)
FTE	112.00	112.00	(4.00)	108.00	108.00	0.00

### Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Transfers FTE Positions for IT Unification <sup>2</sup>	Adds Funding for Statewide Dues <sup>3</sup>	Adds Funding for Grants <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$23,477)	(\$846,547)			(\$870,024)
Operating expenses		866,061	\$17,025		883,086
Capital assets					
Grants					
Emergency commission contingency fund					
Guardianship grants				\$400,000	400,000
Prairie public broadcasting				400,000	400,000
Community service supervision grants				100,000	100,000
Student internship program					
Federal coronavirus capital projects				500,000	500,000
Total all funds	(\$23,477)	\$19,514	\$17,025	\$1,400,000	\$1,413,062
Less estimated income	(4,493)	0	0	500,000	495,507
General fund	(\$18,984)	\$19,514	\$17,025	\$900,000	\$917,555
FTE	0.00	(4.00)	0.00	0.00	(4.00)

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> Four FTE positions are transferred to the Information Technology Department for the IT unification project, reducing salaries and wages by \$846,547 and increasing operating expenses by \$866,061. The Senate included the IT unification project, but the House did not.

<sup>3</sup> Funding of \$17,025 from the general fund is added for increased costs associated with statewide memberships and dues, the same as the Senate. The House did not increase funding for statewide memberships and dues.

<sup>4</sup> Funding of \$1,400,000 is added as follows:

- \$400,000 from the general fund for guardianship grants to provide a total of \$2,450,000, the same as the Senate. The House provided a total of \$2,050,000.
- \$400,000 from the general fund for Prairie Public Broadcasting to provide a total of \$1,200,000, a decrease of \$1 from the Senate. The House provided a total of \$800,000.
- \$100,000 from the general fund for community service supervision grants to provide a total of \$350,000. The House provided a total of \$250,000, and the Senate provided a total of \$400,000.
- \$500,000 from federal funds derived from the federal Coronavirus Capital Projects Fund for a capital project grant for construction of a new medical center in Griggs County, the same as the Senate. The House did not include this funding.

This amendment also:

- Includes a section added by the Senate to appropriate funding from the federal Coronavirus Capital Projects Fund to various agencies for eligible capital projects. The House did not include this section.
- Transfers \$1 million from the strategic investment and improvements fund to the cultural endowment fund for arts initiatives, the same as the Senate. The House did not include this transfer.
- Adjusts the transfer from the tax relief fund to the human service finance fund to provide \$187,223,092, the same as the Senate. The House provided for a transfer of \$187,385,888.
- Adjusts the funding identified from the Capitol building fund for extraordinary repairs to match the \$500,000 appropriated in Section 1 of the bill, the same as the Senate. The House appropriated \$500,000 for extraordinary repairs.
- Increases the amount of funding identified for statewide memberships and dues totaling \$642,089. The Senate increased the funding for statewide memberships and

dues. The House provided \$625,064 for statewide memberships and dues.

- Adjusts the compensation guidelines to reflect an average increase of 1.5 percent with a monthly minimum of \$100 in the 1st year of the biennium and an average increase of 2 percent in the 2nd year of the biennium, the same as the Senate. The House provided an average increase of 1.5 percent with a monthly minimum of \$100 and a monthly maximum of \$200 for both years of the biennium.
- Removes the requirement for the Securities Commissioner to be skilled in securities and removes the restriction that the Securities Commissioner may not hold any other public office. The Senate also removed this requirement, but the House did not include this change.
- Requires a notice filing for certain securities held as investments from the legacy fund, the same as the Senate. The House did not include this requirement.
- Authorizes the Bank of North Dakota to provide a line of credit of up to \$250 million to support loans or loan guarantees under the clean sustainable energy fund, which was added by the Senate. The House did not authorize this line of credit.
- Adds a Legislative Management study of state employee compensation, the same as the Senate. The House did not include a study of state employee compensation.
- Provides an emergency clause for community service supervision fund grants, federal coronavirus capital projects, and Senate Bill No. 2140, relating to repayments under the professional student exchange program, the same as the Senate. The House did not include an emergency clause.

**House Bill No. 1015 - State Treasurer - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Non-oil township grants		\$8,100,000	\$11,900,000	\$20,000,000	\$8,200,000	\$11,800,000
Total all funds	\$0	\$8,100,000	\$11,900,000	\$20,000,000	\$8,200,000	\$11,800,000
Less estimated income	0	8,100,000	11,900,000	20,000,000	8,200,000	11,800,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 120 - State Treasurer - Detail of Conference Committee Changes**

	Increases Funding for Grants <sup>1</sup>	Total Conference Committee Changes
Non-oil township grants	\$11,900,000	\$11,900,000
Total all funds	\$11,900,000	\$11,900,000
Less estimated income	11,900,000	11,900,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding for grants to non-oil-producing townships is increased by \$11.9 million to provide a total of \$20 million for township road and bridge projects. Of the \$20 million, \$8.2 million is from the state disaster relief fund and \$11.8 million is from the tax relief fund. The State Treasurer is required to distribute \$10 million as equal allocations to all the townships and \$10 million based on road miles. The House provided \$8.1 million from the disaster relief fund for township road and bridge projects. The Senate provided a total of \$30 million for township road and bridge projects, including \$8.2 million from the disaster relief fund, \$11.8 million from the tax relief fund, and \$10 million from the strategic investment and improvements fund.

## House Bill No. 1015 - Judicial Branch - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Federal coronavirus capital projects			\$157,600	\$157,600	\$157,600	
Youth cultural achievement programs			90,000	90,000		\$90,000
Veterans' Treatment Court			145,247	145,247		145,247
Total all funds	\$0	\$0	\$392,847	\$392,847	\$157,600	\$235,247
Less estimated income	0	0	157,600	157,600	157,600	0
General fund	\$0	\$0	\$235,247	\$235,247	\$0	\$235,247
FTE	0.00	0.00	0.00	0.00	0.00	0.00

## Department 180 - Judicial Branch - Detail of Conference Committee Changes

	Adds Funding for Capital Projects <sup>1</sup>	Adds Funding for Veterans' Court <sup>2</sup>	Adds Funding for Youth Cultural Programs <sup>3</sup>	Total Conference Committee Changes
Federal coronavirus capital projects	\$157,600			\$157,600
Youth cultural achievement programs			\$90,000	90,000
Veterans' Treatment Court		\$145,247		145,247
Total all funds	\$157,600	\$145,247	\$90,000	\$392,847
Less estimated income	157,600	0	0	157,600
General fund	\$0	\$145,247	\$90,000	\$235,247
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> One-time funding of \$157,600 from the federal Coronavirus Capital Projects Fund is added for information technology equipment, the same as the Senate version. The House did not include this funding.

<sup>2</sup> Funding of \$145,247 from the general fund, including \$100,739 for temporary salaries and wages and \$44,508 for operating expenses is added for a veterans' treatment court in the Northeast Central Judicial District.

<sup>3</sup> Funding of \$90,000 from the general fund is added for youth cultural achievement programs.

## House Bill No. 1015 - Department of Public Instruction - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Federal coronavirus capital projects			\$5,900,000	\$5,900,000	\$5,900,000	
Total all funds	\$0	\$0	\$5,900,000	\$5,900,000	\$5,900,000	\$0
Less estimated income	0	0	5,900,000	5,900,000	5,900,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

## Department 201 - Department of Public Instruction - Detail of Conference Committee Changes

	Adds Funding for Capital Projects <sup>1</sup>	Total Conference Committee Changes
Federal coronavirus capital projects	\$5,900,000	\$5,900,000
Total all funds	\$5,900,000	\$5,900,000
Less estimated income	5,900,000	5,900,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$5.9 million from the federal Coronavirus Capital Projects Fund is added for a grant to an entity for the development of a children's science center in Minot, the same as the Senate version. The House did not include this funding.

**House Bill No. 1015 - University of North Dakota - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Federal coronavirus capital projects			\$5,000,000	\$5,000,000	\$5,000,000	
Space command initiative			4,000,000	4,000,000	4,000,000	
Total all funds	\$0	\$0	\$9,000,000	\$9,000,000	\$9,000,000	\$0
Less estimated income	0	0	5,000,000	5,000,000	5,000,000	0
General fund	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 230 - University of North Dakota - Detail of Conference Committee Changes**

	Adds Funding for Projects <sup>1</sup>	Total Conference Committee Changes
Federal coronavirus capital projects	\$5,000,000	\$5,000,000
Space command initiative	4,000,000	4,000,000
Total all funds	\$9,000,000	\$9,000,000
Less estimated income	5,000,000	5,000,000
General fund	\$4,000,000	\$4,000,000
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$5 million from the federal Coronavirus Capital Projects Fund is added for reconstruction of the University of North Dakota's apron at the Grand Forks airport. One-time funding of \$4 million from the general fund is added for a space command initiative. These items were also added by the Senate. The House did not include funding for these items.

**House Bill No. 1015 - Dickinson State University - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Federal coronavirus capital projects			\$4,000,000	\$4,000,000	\$4,000,000	
Total all funds	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$0
Less estimated income	0	0	4,000,000	4,000,000	4,000,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 239 - Dickinson State University - Detail of Conference Committee Changes**

	Adds Funding for Capital Projects <sup>1</sup>	Total Conference Committee Changes
Federal coronavirus capital projects	\$4,000,000	\$4,000,000
Total all funds	\$4,000,000	\$4,000,000
Less estimated income	4,000,000	4,000,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$4 million from the federal Coronavirus Capital Projects Fund is added for a Pulver Hall, meat processing laboratory, and other projects at Dickinson State University, the same as the Senate version. The House did not include this funding.





### Department 801 - Department of Transportation - Detail of Conference Committee Changes

	Adds Funding for Road and Bridge Projects <sup>1</sup>	Adds Funding for Match Funding <sup>2</sup>	Total Conference Committee Changes
Capital assets	\$55,000,000	\$200,000,000	\$255,000,000
Township road projects			
Total all funds	\$55,000,000	\$200,000,000	\$255,000,000
Less estimated income	55,000,000	200,000,000	255,000,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> Funding of \$55 million from federal funds is added as matching funds for road and bridge projects, of which \$35 million is to match funding provided through bonding in House Bill No. 1431 and \$20 million is to match funding allocated to townships. Neither the House nor the Senate included this funding.

<sup>2</sup> Funding of \$100 million is transferred from the general fund to the highway fund at the end of the 2019-21 biennium to match additional federal discretionary funds that may become available during the 2021-23 biennium. Funding of \$100 million from the highway fund along with \$100 million of federal match funding is appropriated to the Department of Transportation for road and bridge projects, including at least \$10 million of funding from the highway fund that must be used to match federal funds for township road and bridge projects.

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### House Bill No. 1015 - Other Changes - Conference Committee Action

Other changes in this amendment, which were not included by the House or Senate, include:

- Transfers \$410 million from the strategic investment and improvements fund to the general fund.
- Recognizes an additional \$100 million of general fund estimated revenues from 2019-21 biennium legacy fund earnings transferred to the general fund reflecting a total estimate of \$736 million.
- Provides a contingent appropriation of \$17.5 million from the general fund to the Bank of North Dakota to repay a loan related to the Theodore Roosevelt Presidential Library and Museum endowment fund. The funding is available only if the July 1, 2021, general fund balance exceeds the legislative estimate by at least \$17.5 million.
- Authorizes the Department of Transportation to create cooperative agreements for matching federal funds.
- Amends North Dakota Century Code Section 54-09-05, as amended by House Bill No. 1002, to correct the effective date for the salary increase of the Secretary of State.
- Requires executive branch agencies to report cumulative salary increases during the biennium exceeding 15 percent.
- Increases the amount authorized to be retained in the state personnel training and development operating fund from \$25,000 to \$100,000.
- Adds a statement of legislative intent regarding future funding for operating and maintenance costs associated with new area career centers.
- Adds a Legislative Management study regarding a sales tax exemption related to biologic manufacturing.
- Adds an emergency clause for \$1.6 million from the general fund for a boiler project at Mayville State University; a section in House Bill No. 1349 relating to electronic access to public meetings; \$12 million from the federal Coronavirus Relief Fund in Senate Bill No. 2018; \$100,000 from the general fund for a motion picture production and recruitment grant in Senate Bill No. 2018; and Senate Bill No. 2317, relating to capital assets as collateral for coal power plant bonding.

Engrossed HB 1015 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. DELZER MOVED** that the conference committee report on Engrossed HB 1015 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1015, as amended, was placed on the Eleventh order of business.

**MOTION**

**REP. DELZER MOVED** that the Chief Clerk dispense with the reading of the title on HB 1015, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1015:** 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 appropriation to the state treasurer; to provide an appropriation to the department of career and technical education, the department of public instruction, the university of North Dakota, Dickinson state university, the highway patrol, the judicial branch, the department of transportation, the department of commerce, and Mayville state university; to provide a contingent appropriation to the Bank of North Dakota; to create and enact a new section to chapter 10-04, a new section to chapter 24-02, and a new subsection to section 54-44-04 of the North Dakota Century Code, relating to notice filing for certain legacy fund investments, cooperative transportation agreements, and state employee salary increases; to amend and reenact subsection 1 of section 10-04-03, section 54-09-05, as amended by section 4 of House Bill No. 1002, as approved by the sixty-seventh legislative assembly, a new chapter to title 54, as created by section 3 of House Bill No. 1452, as approved by the sixty-seventh legislative assembly, subsection 3 of section 54-44-11, sections 54-44.1-18, 54-44.4-07, 54-44.4-08, 57-51.1-07.5, subsections 2 and 3 of section 57-51.1-07.7, and subsection 2 of section 57-51.1-07.8 of the North Dakota Century Code, relating to qualifications of the securities commissioner, the salary of the secretary of state, the clean sustainable energy authority, the balance of the state personnel training and development operating fund, publishing political subdivision budgets, environmentally preferable products, the state share of oil and gas tax revenue allocations, the municipal infrastructure fund, and the county and township infrastructure fund; to repeal section 54-06-25 of the North Dakota Century Code, relating to the state employee compensation commission; to provide for a transfer; to provide for a claims payment; to provide compensation guidelines; to provide an exemption; to provide a statement of legislative intent; to provide for a legislative management study; to provide a report; 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 73 YEAS, 15 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beltz; Boe; Bosch; Boschee; Brandenburg; Buffalo; Cory; Damschen; Delzer; Devlin; Dobervich; Dockter; Fegley; Fisher; Hager; Hager; Hanson; Hatlestad; Headland; Heinert; Howe; Ista; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kiefert; Klemin; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nehring; Nelson, J.; Nelson, M.; O'Brien; Owens; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Sanford; Satrom; Schauer; Schneider; Schreiber-Beck; Skroch; Steiner; Stemen; Strinden; Thomas; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Koppelman, K.

**NAYS:** Becker; Christensen; Ertelt; Hauck; Hoverson; Kading; Koppelman, B.; Magrum; Marschall; Paulson; Ruby, D.; Ruby, M.; Schatz; Schmidt; Toman

**ABSENT AND NOT VOTING:** Anderson, B.; Bellew; Guggisberg; Kempenich; Ostlie; Schobinger

Reengrossed HB 1015 passed and the emergency clause was declared carried.

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**MOTION**

**REP. LOUSER MOVED** that the House employees be paid for Good Friday, which motion prevailed on a voice vote.

**REMARKS OF MAJORITY LEADER POLLERT**

Thank you Mr. Speaker.

Mr. Speaker and members of the Assembly, a big thank you. It's been a lot of work in 76 days. When you look at COVID-19, all of the challenges we had, as well as the regular budget and federal money coming in to tie it all together, it took a lot of work. A special thank you. It didn't come without it's challenges, so I thank every one of you for all of the hard work.

I want to thank my office staff, Sydney and Ryan. Thank you, they help me feel a little younger.

I want to thank Mr. John Bjornson and the members of the Legislative Council, they do a great job for us. Especially this session with Microsoft Teams, thank you Brady, Tyler, Cody, and Kyle. The Legislative Council kept us going. Whether it's in the committees or on the floor, they helped a lot this session. A special thank you to those and the whole Legislative Council staff. I want to thank them.

Mr. Speaker, I will let you do your thanks for Arlene, so I won't say anything there, but what a great person.

I want to thank our Sergeants-at-Arms, good old Jerry Moszer, Roman, Dean, Richard, Tim, Dale, David, and Dwight. Thank you folks for helping keep everything under control.

All the committee clerks, they make it all possible for everything that we do here. It's chains and sprockets and everything that works together. I'm more of a duct tape bale wire kind of guy, but those folks are not. It's much appreciated.

I would have to say for myself, this about the hardest session that I've ever been a part of, but I can go away from here proud of the work that we've done.

Before I end with that, Buell, Mark, Ed, Lavata, Rachel, Joel, Virginia, and Donna, thank you very much for the work. You always had my back, much appreciated.

Members of the Assembly, we can be very proud of the work that we've done here. We can talk about all of the hours, everything that it takes, all the teamwork, all the private discussions, all the not so pleasant discussions as well, but I think it helps us get to a better product. I can go home and talk about the achievements of the 67th Legislative Assembly and that's what I plan on doing. So Mr. Speaker, members of the Assembly, to hold this position, I will tell you one thing, every morning I get here about 6:00am, walk up the big staircase, and walk down the Memorial Hall to remind me how lucky I am to be here. Proud times.

**REMARKS OF MINORITY LEADER BOSCHEE**

I am continually honored to serve as the Minority Leader, in this chamber with all of you. The 67th Legislative Assembly certainly had its ups and downs. Despite the ongoing pandemic that changed our day-to-day lives and how we do our work, we made progress for North Dakotans in many areas.

One of our most significant decisions was to invest in North Dakotans by bonding to support our roads, bridges, water and flood protection projects, and much needed updates to campus buildings. The Dem-NPL caucus has long advocated for this fiscally responsible investment, which will pay dividends to generations of North Dakotans, and we're glad most of this body now agrees. As a legislative body, we also took an important step by responsibly allocating Legacy Fund earnings to infrastructure projects and local governments, while also investing a portion of the principle into businesses and communities within our state – a true solution that utilizes the Legacy Fund as it was intended: to leave a lasting legacy by investing it back into North Dakota.

On matters of healthcare, education, criminal justice reform, and equality, my fellow caucus members led the way and helped pass legislation that truly reflects the needs of our citizens and the diversity of our state. They persevered through a sometimes-difficult session, worked across the aisle to create policy that lifts our constituents, and stood up against legislation that is harmful to North Dakotans and our state's economy. For that, I'm extremely grateful for the service of my Dem-NPL colleagues and look forward to them building off this session's work during the interim.

I also must recognize the dedication, patience, and service of those who work throughout the chamber: committee and chamber clerks, legislative interns, front desk staff, sergeants at arms, and majority and minority staff. Our constituents are well-served to have you working on their behalf. Thank you for your commitment to this government and to North Dakota.

I was looking at my notes from this speech from two years ago and I had a greater sense of progress, unity, and optimism at the end of the 66th Legislative Assembly than I do now. To quote from one line from last session: "Let us remember this session as one of progress, because we focused more on accomplishing shared goals, rather than letting partisanship divide us." As I mentioned, we certainly have made some achievements for North Dakotans this session. However, we saw a mountain of proposed bills and too much rhetoric that promoted extremist partisanship, divided us, and ultimately served as a distraction from the real priorities of our state. I am concerned about the impact these headline grabbing distractions will have on our ability to retain and recruit the qualified work force we need to grow and diversify our state's economy.

We are not elected to push an ideology. We are elected to use our best judgement and pass meaningful legislation that improves the lives of our neighbors, even if it means standing behind votes that are unpopular with our most ardent supporters. Let us remember this session as a critical point in deciding what kind of government we are going to be: are we going to set aside our differences and find common ground to get things done for North Dakotans? Or, are we going to put everyone through another session full of extreme legislation that generates negative headlines but doesn't benefit the people of North Dakota? We can be better, and I pray that we choose to do better for the sake of our state and our people.

Mr. Speaker and colleagues, it has been a long, hard fourteen months for most of us. We lost nearly 1,500 North Dakotans to a virus that does not discriminate. Many of us in the chamber lost a loved one, a neighbor, a co-worker or someone we knew within our community. And throughout this tragedy, we have seen our loved ones, neighbors, co-workers, and complete strangers rise to the challenge to do more for others. Whether it was K-12, college and university educators who quickly transitioned to new ways of delivering education. Or nurses, long-term care staff, public health professionals and healthcare providers who ran towards the crisis, while most of us spent more time in our homes. Or our state employees and National Guard members who stepped up to make sure that the services our citizens expect continue to be delivered. Take the time to thank these individuals and the many others who have worked tirelessly the last 14 months to do more for others. It is my hope that all of you get to enjoy some time with loved ones, take some time for yourselves and reflect on how we can make the best of the coming interim to move our great state forward.

Thank you, Mr. Speaker.

#### **REMARKS OF SPEAKER K. KOPPELMAN**

As Speaker of the House, I would be remiss if I did not thank each of you for your service this Legislative session, and thank those, including the front desk staff, led by Chief Clerk Buell Reich, our sergeants at arms, pages, Legislative Council staff and all who have made this session run smoothly and efficiently. I add my personal thanks to my assistant, Arlene Melarvie, with whom many of you have also worked during the session. She's made the job of every Speaker easier and more enjoyable.

I'd also like to share some personal reflections. The first is that the great irony, serving in this role, is that the Speaker can't speak! I know that some of you had hoped that this would shorten our session, this year, but I think it is safe to say that you've taken up the slack.

On a more serious note, serving as the Speaker of the House is not only a high calling, but also a great responsibility. It is not one which I embarked upon lightly. I have always believed

in servant leadership and I hope that I have served you well.

In assuming this role, I knew that this session would pose unique challenges. We all should have expected the unexpected, but none of us could have anticipated what awaited us when we first gathered here in January.

This has been a session like no other...with opportunities, obstacles, responsibilities and burdens which no previous Legislative Assembly has borne. The decision we face now, as we depart, is how we will respond.

This unique assembly will never gather again for a regular legislative session. Some of us also will not be here when the 68th Legislative Assembly convenes. Because of that, I encourage you each to take a moment, one last time, to look around you and ponder that fact.

Those colleagues you see, as your eyes search this chamber, are just that—colleagues. Yet, they're more than that. They are co-laborers in these hallowed halls, entrusted with the same responsibility as each of you—to faithfully serve, to represent those who elected you; to support the Constitutions of our great state and nation. This responsibility we share is a rare one which few citizens ever bear. It should forge a unique bond, which can neither be explained, nor forgotten; one which we should never allow to fray or sever. May we always honor and respect one another.

As we say our goodbyes and bid each other well, I implore you to savor this moment. Remember these faces. Remember these colleagues. Remember that what binds us together is far greater, far more important than what divides us and that, properly understood, our divisions and disagreements should pale in comparison.

I want you to know that I respect each one of you and appreciate the unique skills, abilities, talents, backgrounds and experience you bring. You each enrich this process and offer a needed perspective that we should all hear, contemplate, and honor.

I ask that you think of those we serve—those citizens who have entrusted us with a responsibility like no other—to represent them, as we make the laws under which they and we, as their neighbors and citizen legislators, will live, work, and, we trust, flourish.

May we leave this place taking stock in what we've accomplished, pondering what we can do better, and being forever thankful for the great honor, privilege and responsibility we've been given. May we be humbled by it and faithful to it, and may our desire to do it well be rekindled.

As your grateful colleague and as a fellow servant of the people of North Dakota, I thank you for the distinct privilege of serving you, as your Speaker, and I leave you with a simple, appropriate challenge from the Scriptures which calls each of us to do three things—“to do justly, to love mercy, and to walk humbly with your God”.

May He bless you all and, as we depart from this historic place, I wish you Godspeed.

#### **MOTION**

**REP. LOUSER MOVED** that a committee of three be appointed to notify the Senate that the House has completed its business and is about to adjourn, which motion prevailed on a voice vote.

**THE SPEAKER APPOINTED** Reps. Satrom, Toman, and Schneider.

#### **MOTION**

**REP. LOUSER MOVED** that a committee of three be appointed to notify the Governor that the House has completed its business and is about to adjourn, which motion prevailed on a voice vote.

**THE SPEAKER APPOINTED** Reps. Paulson, Strinden, and Mock.

#### **REQUEST**

**REP. PAULSON REQUESTED** that the committee to inform the Governor that the House has completed its business and is about to adjourn be discharged, as the committee has

completed its task, which request was granted.

#### REQUEST

**REP. SATROM REQUESTED** that the committee appointed to notify the Senate that the House has completed its business and is about to adjourn be discharged, as the committee has completed its task, which request was granted.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Pollert to replace Rep. Delzer on the Conference Committee on HB 1380.

#### MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

**MR. SPEAKER:** The President has appointed Sen. Wobbema to replace Sen. K. Roers on the Conference Committee on SB 2046.

#### 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 1004.

#### 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 1004, HB 1380.

#### 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 1209.

#### 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 2014.

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

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

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1013.

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

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

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1388.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1395.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2004, SB 2021.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2011, SB 2245.

#### MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report on: HB 1209.

#### MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1004, HB 1380.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1253.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1001.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1012, HB 1015.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1013.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1388.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1395.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: SB 2046.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1001, HB 1253.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1004, HB 1380.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1012, HB 1013, HB 1015, HB 1209.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1388.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1395.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1453, HB 1465.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2004, SB 2021.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2011, SB 2014, SB 2245.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2018.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1001, HB 1253.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1004, HB 1380.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1012, HB 1013, HB 1015, HB 1209.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1388.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1395.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1453, HB 1465.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1001, HB 1253.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1004, HB 1380.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1012, HB 1013, HB 1015, HB 1209.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1388, HB 1395.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1453, HB 1465.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2004, SB 2018, SB 2021.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2011, SB 2014, SB 2245.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2004, SB 2018, SB 2021.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2011, SB 2014, SB 2245.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 29, 2021: HB 1453, HB 1465.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 29, 2021: HB 1001, HB 1004, HB 1253, HB 1380, HB 1388, HB 1395.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 29, 2021: HB 1012, HB 1013, HB 1015, HB 1209.

#### **MOTION**

**REP. LOUSER MOVED** that the absent members be excused, which motion prevailed on a voice vote.

#### **MOTION**

**REP. LOUSER MOVED** that the House be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned sine die, which motion prevailed on a voice vote.

The House stood adjourned pursuant to Representative Louser's motion.

**Buell J. Reich, Chief Clerk**