

## JOURNAL OF THE SENATE

## Sixty-second Legislative Assembly

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Bismarck, April 27, 2011

The Senate convened at 8:00 a.m., with President Pro Tempore Wardner presiding.

The prayer was offered by Senator Tim Mathern, District 11.

The roll was called and all members were present.

A quorum was declared by the President Pro Tempore.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. CHRISTMANN MOVED** that the conference committee report on Engrossed HB 1015 as printed on SJ pages 1755-1757 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1015, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide for a report to the budget section; to provide for borrowing authority; and to provide legislative intent.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1015, as amended, passed.

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

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

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2004.

**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 2016.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1001, HB 1057, HB 1206, HB 1229.

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

**MR. SPEAKER:** The President has signed: HB 1001, HB 1057, HB 1206, HB 1229.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1002, HB 1005, HB 1006, HB 1007, HB 1011, HB 1014, HB 1016, HB 1019, HB 1020, HB 1025, HB 1029, HB 1033, HB 1041,

HB 1044, HB 1046, HB 1074, HB 1085, HB 1086, HB 1087, HB 1091, HB 1092, HB 1126, HB 1134, HB 1248, HB 1451.

#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 11:00 a.m., which motion prevailed.

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

#### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. J. LEE MOVED** that the Senate do not concur in the House amendments to Reengrossed SB 2276 as printed on SJ pages 1022-1024 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

#### APPOINTMENT OF CONFERENCE COMMITTEE

**THE PRESIDENT APPOINTED** as a Conference Committee on Reengrossed SB 2276: Sens. J. Lee, Uglem, Mathern.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2276, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2276:** Sens. J. Lee; Uglem; Mathern

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Schmidt to replace Rep. Devlin on the Conference Committee on SB 2276.

#### MOTION

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

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

#### REPORT OF CONFERENCE COMMITTEE

**SB 2019, as engrossed:** Your conference committee (Sens. Krebsbach, Erbele, O'Connell and Reps. Martinson, Dosch, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1162-1164, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on pages 1162-1164 of the Senate Journal and pages 1305-1308 of the House Journal and that Engrossed Senate Bill No. 2019 be amended as follows:

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$736,854</u>	<u>\$303,845</u>	<u>\$1,040,699</u>
Total general fund	\$736,854	\$303,845	\$1,040,699"

Page 2, replace line 9 with:

"Grand total general fund	\$10,562,591	\$6,060,965	\$16,623,556"
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Page 2, replace line 11 with:

"Grand total all funds	\$22,710,645	\$6,582,443	\$29,293,088"
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Page 2, replace lines 24 and 25 with:

"International Peace Garden capital projects	86,600	267,000
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and deferred maintenance"

Page 2, replace line 28 with:

"Total all funds \$5,571,368 \$4,749,210"

Page 2, replace line 30 with:

"Total general fund \$4,771,368 \$4,749,210"

Page 3, after line 17, insert:

**"SECTION 5. INTERNATIONAL PEACE GARDEN CONSERVATORY  
ADDITION.** The International Peace Garden line item in subdivision 2 of section 1 of this Act includes \$242,000 from the general fund for the state's share of the cost to build an expansion onto the conservatory for a cactus collection. The International Peace Garden must obtain the remaining funding of \$242,000 needed for the project from nonstate sources prior to beginning the project."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2019 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Parks and Recreation Department						
Total all funds	\$28,252,389	\$28,252,389	\$0	\$28,252,389	\$28,427,389	(\$175,000)
Less estimated income	12,669,532	12,669,532	0	12,669,532	12,669,532	0
General fund	\$15,582,857	\$15,582,857	\$0	\$15,582,857	\$15,757,857	(\$175,000)
International Peace Garden						
Total all funds	\$773,699	\$773,699	\$267,000	\$1,040,699	\$1,040,699	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$773,699	\$773,699	\$267,000	\$1,040,699	\$1,040,699	\$0
Bill total						
Total all funds	\$29,026,088	\$29,026,088	\$267,000	\$29,293,088	\$29,468,088	(\$175,000)
Less estimated income	12,669,532	12,669,532	0	12,669,532	12,669,532	0
General fund	\$16,356,556	\$16,356,556	\$267,000	\$16,623,556	\$16,798,556	(\$175,000)

**Senate Bill No. 2019 - International Peace Garden - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
International Peace Garden	\$773,699	\$773,699	\$267,000	\$1,040,699	\$1,040,699	
Total all funds	\$773,699	\$773,699	\$267,000	\$1,040,699	\$1,040,699	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$773,699	\$773,699	\$267,000	\$1,040,699	\$1,040,699	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 751 - International Peace Garden - Detail of Conference Committee Changes**

	Adds Funding for Conservatory Addition <sup>1</sup>	Adds Funding for Memorial <sup>2</sup>	Total Conference Committee Changes
International Peace Garden	\$242,000	\$25,000	\$267,000
Total all funds	\$242,000	\$25,000	\$267,000
Less estimated income	0	0	0
	\$242,000	\$25,000	\$267,000

General fund			
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds funding for an addition to the conservatory to house a cactus collection. A section is added regarding additional funding from other nonstate sources, the same as the House version.

<sup>2</sup> This amendment adds funding for a memorial to victims of the September 11, 2001, terrorist attack on the World Trade Center, the same as the House version.

Engrossed SB 2019 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. KREBSBACH MOVED** that the conference committee report on Engrossed SB 2019 as printed on SJ pages 1766-1768 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2019, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2019:** A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to provide for a transfer; 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 35 YEAS, 12 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Berry; Burckhard; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Krebsbach; Lee, J.; Luick; Lyson; Marcellais; Mathern; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Robinson; Schneider; Sitte; Stenehjem; Taylor; Uglen; Wardner; Warner

**NAYS:** Bowman; Christmann; Klein; Laffen; Larsen; Lee, G.; Miller; Olafson; Schaible; Sorvaag; Triplett; Wanzek

Reengrossed SB 2019 passed and the emergency clause was declared carried.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2019.

#### 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 1021.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1001, HB 1057, HB 1206, HB 1229.

#### MOTION

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

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

#### MOTION

**SEN. CHRISTMANN MOVED** that HB 1021 be placed at the top of the Seventh order, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1021, as engrossed:** Your conference committee (Sens. Christmann, Fischer, Robinson and Reps. Thoreson, Pollert, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1418-1420, adopt amendments as follows, and place HB 1021 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1418-1420 of the House Journal and pages 1186-1188 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 2, remove "to provide legislative intent;"

Page 3, replace lines 1 through 5 with:

**"SECTION 4. BANK OF NORTH DAKOTA TRANSFER.** The industrial commission shall transfer, as requested by the health information technology office director, up to \$5,000,000 from the current earnings and accumulated profits of the Bank of North Dakota to the health information technology planning loan fund or to the health information technology loan fund, for the biennium beginning July 1, 2011, and ending June 30, 2013. The health information technology office director shall request transfers from the Bank only as necessary to meet cashflow needs of the fund and only upon certification by the health information technology office director of a demonstrated need for health information technology planning loans."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1021 - Summary of Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
<b>Information Technology Department</b>						
Total all funds	\$164,424,855	\$164,197,887	\$0	\$164,197,887	\$183,543,964	(\$19,346,077)
Less estimated income	145,303,651	145,076,683	0	145,076,683	164,422,760	(19,346,077)
General fund	\$19,121,204	\$19,121,204	\$0	\$19,121,204	\$19,121,204	\$0
<b>Department of Human Services</b>						
Total all funds	\$0	\$0	\$0	\$0	\$25,300,000	(\$25,300,000)
Less estimated income	0	0	0	0	16,100,000	(16,100,000)
General fund	\$0	\$0	\$0	\$0	\$9,200,000	(\$9,200,000)
<b>Bill total</b>						
Total all funds	\$164,424,855	\$164,197,887	\$0	\$164,197,887	\$208,843,964	(\$44,646,077)
Less estimated income	145,303,651	145,076,683	0	145,076,683	180,522,760	(35,446,077)
General fund	\$19,121,204	\$19,121,204	\$0	\$19,121,204	\$28,321,204	(\$9,200,000)

**House Bill No. 1021 - Information Technology Department - Conference Committee Action**

The conference committee amendment does not include funding or FTE positions added by the Senate relating to the Department of Human Services' eligibility system replacement project.

The conference committee amendment does remove the section of legislative intent added by the House to provide that the Bank of North Dakota PACE program is to be used to provide low-interest loans to finance health information technology projects and reinstates the section included in the bill as introduced which provides that the Industrial Commission transfer up to \$5 million from the current earnings and accumulated undivided profits of the Bank of North Dakota to the health information technology planning loan fund or to the health information technology loan fund for the 2011-13 biennium. This change was also made by the Senate.

**House Bill No. 1021 - Department of Human Services - Conference Committee Action**

The conference committee amendment does not include funding or the FTE position added by the Senate for the Department of Human Services' eligibility system replacement project.

Engrossed HB 1021 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ROBINSON MOVED** that the conference committee report on Engrossed HB 1021 as printed on SJ pages 1769-1770 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1021, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to provide for various transfers; and to amend and reenact section 7 of chapter 49 and section 8 of chapter 519 of the 2009 Session Laws, relating to statewide longitudinal data system expenditures and health information technology.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjerm; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1021, as amended, passed.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1021.

**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 2019.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2004, SB 2013, SB 2016, SB 2150.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1015.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2004, SB 2013, SB 2016, SB 2150.

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

**MR. SPEAKER:** The President has signed: SB 2369.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 27, 2011: SB 2369.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 5:15 p.m., which motion prevailed.

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

**REPORT OF CONFERENCE COMMITTEE**

**SB 2276, as reengrossed:** Your conference committee (Sens. J. Lee, Uglen, Mathern and Reps. Weisz, Schmidt, Holman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1022-1024, adopt amendments as follows, and place SB 2276 on the Seventh order:

That the House recede from its amendments as printed on pages 1022-1024 of the Senate Journal and pages 1135-1137 of the House Journal and that Reengrossed Senate Bill No. 2276 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 23-01 of the North Dakota Century Code, relating to the North Dakota immunization program; to amend and reenact section 23-01-05.3 of the North Dakota Century Code, relating to reporting immunization data; and to provide an appropriation.

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

**SECTION 1. AMENDMENT.** Section 23-01-05.3 of the North Dakota Century Code is amended and reenacted as follows:

**23-01-05.3. Immunization data.**

1. The state department of health may establish an immunization information system and may require the childhood immunizations specified in subsection 1 of section 23-07-17.1 and other information be reported to the department. The state department of health may only require the reporting of childhood immunizations and other data upon completion of the immunization information reporting system. A health care provider who administers a childhood immunization shall report the patient's identifying information, the immunization that is administered, and other required information to the department. The report must be submitted using electronic media, and must contain the data content and use the format and codes specified by the department.
2. If a health care provider fails to submit an immunization report required under this section within four weeks of vaccination:
  - a. That health care provider may not order or receive any vaccine from the North Dakota immunization program until that provider submits all reports required under this section.
  - b. The state department of health shall make a report to that health care provider's occupational licensing entity outlining that provider's failure to comply with the reporting requirements under this section.
3. Notwithstanding any other provision of law, a health care provider, elementary or secondary school, early childhood facility, public or private postsecondary educational institution, city or county board of health, district health unit, and the state health officer may exchange immunization data in any manner with one another. Immunization data that may be exchanged under this section is limited to the date and type of immunization administered to a patient and may be exchanged regardless of the date of the immunization.

**SECTION 2.** A new section to chapter 23-01 of the North Dakota Century Code is created and enacted as follows:

**Immunization program - Provider choice - Purchasing.**

1. As used in this section:
  - a. "Department" means the state department of health.

- b. "North Dakota immunization advisory committee" means the group of private health care providers, local public health units, department staff, and other applicable individuals which makes immunization and vaccine selection recommendations to the North Dakota immunization program.
  - c. "North Dakota immunization program" means the program administered by the department to provide vaccinations to North Dakota children consistent with state and federal law.
  - d. "Program-eligible child" means any child, who is under nineteen years of age, whose custodial parent or legal guardian resides in this state.
  - e. "Vaccine" means any vaccine recommended by the federal advisory committee on immunization practices of the centers for disease control and prevention.
  - f. "Vaccines for children program" is a federally funded program that provides vaccines at no cost to eligible children pursuant to section 1928 of the Social Security Act [42 U.S.C. 1396s].
2. As part of the North Dakota immunization program:
- a. The department shall implement a provider choice system as part of the state's implementation of the vaccines for children program. This provider choice system must provide a health care provider participating in the state's vaccines for children program or in any other immunization program for children, adolescents, or adults which is administered through the state using federal or state funds, may select any licensed vaccine, including combination vaccines, and any dosage forms that have in effect a recommendation from the federal advisory committee on immunization practices. This subsection does not apply in the event of a disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency.
  - b. The department shall establish a program through which the department purchases vaccines through the federal vaccine purchasing contract.
    - (1) The department shall supply public health units with the purchased vaccines. A public health unit that receives vaccines under this subdivision shall administer the vaccines to program-eligible children.
    - (2) A public health unit that receives vaccines under this purchasing program may not bill an insurer for the cost of the vaccine but may charge an administration fee.
    - (3) The department shall fund this purchasing program through participation in the vaccines for children program, the federal section 317 vaccine program, and state funds appropriated for this purpose. If it appears there will be inadequate funds to fund this purchasing program, the department shall petition the emergency commission for a transfer from the state contingency fund. The emergency commission may grant the transfer request, or so much thereof as may be necessary, to fund this purchasing program.

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the state department of health for the purpose of funding the program through which the department



purchases vaccines through the federal vaccine purchasing contract, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

Reengrossed SB 2276 was placed on the Seventh order of business on the calendar.

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

**SEN. J. LEE MOVED** that the conference committee report on Engrossed SB 2276 as printed on SJ pages 1771-1773 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2276, as amended, was placed on the Eleventh order of business.

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

**SB 2276:** A BILL for an Act to create and enact a new section to chapter 23-01 of the North Dakota Century Code, relating to the North Dakota immunization program; to amend and reenact section 23-01-05.3 of the North Dakota Century Code, relating to reporting immunization data; and to provide an appropriation.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Reengrossed SB 2276 passed.

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#### **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 1004.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2019.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1021.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2019.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 7:00 p.m., which motion prevailed.

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

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

**HB 1004, as engrossed:** Your conference committee (Sens. Kilzer, Fischer, Robinson and Reps. Kreidt, J. Nelson, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1489-1491, adopt amendments as follows, and place HB 1004 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1489-1491 of the House Journal and pages 1241-1243 of the Senate Journal and that Engrossed House Bill No. 1004 be amended as follows:

Page 1, line 2, remove "to amend and reenact section 54-27-25 of the"

Page 1, line 3, remove "North Dakota Century Code, relating to the tobacco settlement trust fund;"

Page 1, line 4, remove "and"

Page 1, line 4, after "study" insert "; to provide for a performance audit; and to declare an emergency"

Page 1, replace lines 14 and 15 with:

"Salaries and wages	\$44,861,868	\$4,283,655	\$49,145,523
Operating expenses	44,635,794	3,957,372	48,593,166"

Page 1, replace line 17 with:

"Grants	62,160,510	(6,632,472)	55,528,038"
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Page 1, replace lines 21 through 23 with:

"Total all funds	\$187,614,500	\$1,463,033	\$189,077,533
Less estimated income	<u>164,609,206</u>	<u>(4,445,453)</u>	<u>160,163,753</u>
Total general fund	\$23,005,294	\$5,908,486	\$28,913,780"

Page 2, after line 9, insert:

"STEMI response program grant	0	600,000"
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Page 2, replace line 11 with:

"Total all funds	\$17,323,696	\$4,092,228"
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Page 2, replace line 13 with:

"Total general fund	\$4,076,371	\$600,000"
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Page 2, after line 23, insert:

**"SECTION 4. SAFE HAVENS SUPERVISED VISITATION AND EXCHANGE PROGRAM - DISTRIBUTION.** The sum of \$425,000 included in the grants line item in section 1 of this Act is provided to continue the safe havens supervised visitation and exchange program for centers meeting eligibility standards in effect during the 2009-11 biennium."

Page 3, remove lines 10 through 31

Page 4, remove lines 1 through 18

Page 5, after line 3, insert:

**"SECTION 9. STATE AUDITOR - PERFORMANCE AUDIT - FAMILY HEALTH DIVISION - STATE DEPARTMENT OF HEALTH.** The state auditor shall contract for a performance audit of the family health division of the state department of health during the biennium beginning July 1, 2011, and ending June 30, 2013. The state auditor may bill the state department of health for costs associated with the performance audit. The results of the performance audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committees of the sixty-third legislative assembly.

**SECTION 10. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1004 - State Department of Health - Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$49,614,394	\$48,907,532	\$237,991	\$49,145,523	\$49,306,403	(\$160,880)
Operating expenses	45,223,767	25,015,100	23,578,066	48,593,166	44,703,081	3,890,085
Capital assets	1,998,073	1,998,073		1,998,073	1,998,073	
Grants	55,887,778	55,493,320	34,718	55,528,038	56,062,038	(534,000)
Tobacco prevention	6,162,396	6,162,396		6,162,396	6,162,396	
WIC food payments	24,158,109	24,158,109		24,158,109	24,158,109	
Federal stimulus funds	3,492,228	3,492,228		3,492,228	3,492,228	
Contingency		1,000,000		1,000,000	1,000,000	
Total all funds	\$186,536,745	\$166,226,758	\$23,850,775	\$190,077,533	\$186,882,328	\$3,195,205
Less estimated income	158,456,189	138,865,277	21,798,476	160,663,753	158,634,065	2,029,688
General fund	\$28,080,556	\$27,361,481	\$2,052,299	\$29,413,780	\$28,248,263	\$1,165,517
FTE	343.50	342.50	0.00	342.50	342.50	0.00

**Department No. 301 - State Department of Health - Detail of Conference Committee Changes**

	Restores Funding for Vaccine Ordering Program <sup>1</sup>	Removes Funding for Women's Way Care Coordination <sup>2</sup>	Changes Funding Source for Heart Disease and Stroke Prevention <sup>3</sup>	Changes Funding Source for State Stroke Registry <sup>4</sup>	Removes Funding for Go Red North Dakota Program <sup>5</sup>	Restores Funding for Prenatal Alcohol Screening and Intervention <sup>6</sup>
Salaries and wages						
Operating expenses	23,000,000	(99,260)				
Capital assets						
Grants		(400,740)			(453,000)	388,458
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Contingency						
Total all funds	\$23,000,000	(\$500,000)	\$0	\$0	(\$453,000)	\$388,458
Less estimated income	23,000,000	(500,000)	(222,624)	(250,700)	(453,000)	0
General fund	\$0	\$0	\$222,624	\$250,700	\$0	\$388,458
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Matching Funding for STEMI Response Program <sup>7</sup>	Increases Grants to Local Public Health Units <sup>8</sup>	Restores Funding for Injury Prevention <sup>9</sup>	Restores Funding for Statewide Trauma Program <sup>10</sup>	Adds Funding for Public Water System Operator Training <sup>11</sup>	Adds Funding for Performance Audit <sup>12</sup>
Salaries and wages			\$125,557	\$112,434		
Operating expenses			9,960	387,366	180,000	100,000
Capital assets						
Grants	600,000	200,000		(300,000)		
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Contingency						
Total all funds	\$600,000	\$200,000	\$135,517	\$199,800	\$180,000	\$100,000
Less estimated income	0	0	0	124,800	0	100,000
General fund	\$600,000	\$200,000	\$135,517	\$75,000	\$180,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	\$237,991
Operating expenses	23,578,066
Capital assets	
Grants	34,718
Tobacco prevention	
WIC food payments	
Federal stimulus funds	
Contingency	
	\$23,850,775

Total all funds	
Less estimated income	21,798,476
General fund	\$2,052,299
FTE	0.00

<sup>1</sup> Funding of \$19.4 million included in the executive recommendation, but removed by the House, for operating expenses related to the purchase of vaccines under a vaccine ordering program is restored, the same as the Senate. In addition, the conference committee increased the funding by \$3.6 million to provide the level of spending authority identified in Senate Bill No. 2276.

<sup>2</sup> Funding provided by the House from the community health trust fund for Women's Way care coordination, including operating expenses (\$99,260) and grants (\$400,740), is removed, the same as the Senate.

<sup>3</sup> Funding from the community health trust fund for heart disease and stroke prevention grants included in the executive recommendation is changed to the general fund, the same as the Senate. The House did not change this funding.

<sup>4</sup> The source of funding for certain state stroke registry operating expenses (\$78,500) and grants (\$172,200) is changed from the community health trust fund to the general fund, the same as the Senate. The executive recommendation provided the funding for this program from the general fund, and the House changed the funding source to the community health trust fund.

<sup>5</sup> Funding from the community health trust fund provided by the House for grants to implement the Go Red North Dakota risk awareness and action grants program is removed, the same as the Senate. The executive recommendation did not include funding for this program.

<sup>6</sup> Funding for prenatal alcohol screening and intervention grants removed by the House is restored to the level recommended by the Governor, the same as the Senate.

<sup>7</sup> This amendment adds funding to provide one-time funding from the general fund to the State Department of Health to provide matching funds for an ST-elevated myocardial infarction (STEMI) response program, \$575,000 more than the Senate. The executive recommendation and the House did not provide funding for this program.

<sup>8</sup> Grants to local public health units are increased to provide a total of \$3 million from the general fund, \$600,000 more than the executive recommendation. The House and the Senate provided for an increase of \$400,000 from the general fund.

<sup>9</sup> Funding relating to 1 FTE position (\$125,557) and operating expenses (\$9,960) for injury prevention, removed in both the House and Senate versions, is restored. The FTE position is not restored, and the department may transfer 1 FTE position from tobacco prevention.

<sup>10</sup> Funding from the general fund of \$523,900 added in the executive budget to replace reduced federal funding available through the Department of Transportation for services provided to ambulances and for the statewide trauma program, removed by the House, is partially restored as follows:

Transfer from EMS grants line	\$300,000
Department of Transportation	124,800
General fund	<u>75,000</u>
Total	\$499,800

The Senate did not provide this funding.

<sup>11</sup> This amendment adds funding to provide for a public water system operator certification

and training program and to reimburse operators of eligible public water systems in communities with a population of 3,300 or less for certification and training expenses. Funding for this program was not included in the House or the Senate versions nor in the executive recommendation.

<sup>12</sup> Funding from special or federal funds is added for a performance audit of the Family Health Division of the State Department of Health. The department may also use other funds available from within its operating expenses line item for costs of the audit. A section is added requiring the State Auditor to contract for the performance audit and authorizing the State Auditor to bill the State Department of Health for the cost of the audit.

In addition, this amendment:

- Removes Section 5 which amended Section 54-27-25 relating to the tobacco settlement trust fund and use of moneys in the community health trust fund for tobacco prevention and control, the same as the Senate. This amendment was not included in the executive recommendation but was added by the House.
- Provides that funding available for the Safe Havens program is available for centers meeting current standards. The House and the Senate did not include this language.
- Adds a section to declare the contingent appropriation and Bank of North Dakota line of credit provided for litigation and administrative proceedings costs in the bill is an emergency measure, the same as the Senate.

Funding for health care reform totaling \$1,795,112, removed by the House and restored by the Senate, was not restored by the conference committee.

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

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

**SEN. KILZER MOVED** that the conference committee report on Engrossed HB 1004 as printed on SJ pages 1773-1777 be adopted, which motion prevailed on a verification vote.

Engrossed HB 1004, as amended, was placed on the Fourteenth 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 department of health; to provide a contingent appropriation; to provide legislative intent; to provide for reports; to provide for a legislative management study; to provide for a performance audit; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

**NAYS:** Berry; Nelson

Engrossed HB 1004, as amended, passed and the emergency clause was declared carried.

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

**SB 2017, as engrossed:** Your conference committee (Sens. Christmann, Wanzek, O'Connell and Reps. Brandenburg, Thoreson, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1219-1221, adopt amendments as follows, and place SB 2017 on the Seventh order:

That the House recede from its amendments as printed on pages 1219-1221 of the Senate

Journal and pages 1394-1396 of the House Journal and that Engrossed Senate Bill No. 2017 be amended as follows:

Page 1, replace lines 13 through 15 with:

"Capital assets	3,965,000	418,169	4,383,169
Grants	6,544,000	1,174,500	7,718,500
Land habitat and deer	11,080,162	1,824,524	12,904,686"

Page 1, replace line 22 with:

"Total special funds	\$59,463,938	\$6,423,803	\$65,887,741"
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Page 2, after line 14, insert:

**"SECTION 4. MISSOURI RIVER ENFORCEMENT.** The Missouri River enforcement line item in section 1 of this Act includes the sum of \$200,000 for salaries and operating expenses of department employees coordinating or performing Missouri River law enforcement activities and for grants to local law enforcement agencies performing Missouri River law enforcement activities. The department may not use any of the funds for the purchase of equipment with a cost of \$3,000 or more."

Page 2, line 15, replace "\$100,000" with "\$400,000"

Page 2, line 17, after "road" insert ", funding of \$850,000 included in the land habitat and deer line item in section 1 of this Act relating to hunting access and deer depredation,"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2017 - Game and Fish Department - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$24,019,028	\$24,019,028		\$24,019,028	\$24,019,028	
Operating expenses	12,524,493	12,524,493		12,524,493	12,524,493	
Capital assets	4,183,170	4,183,170	199,999	4,383,169	4,883,170	(500,001)
Grants	7,718,500	7,418,500	300,000	7,718,500	7,718,500	
Land habitat and deer	12,054,686	12,054,686	850,000	12,904,686	12,904,686	
Noxious weed control	600,000	600,000		600,000	600,000	
Missouri River enforcement	200,000	200,000		200,000	200,000	
Grants, gifts, and donations	800,000	800,000		800,000	800,000	
Nongame wildlife conservation	120,000	120,000		120,000	120,000	
Lonetree Reservoir	1,749,065	1,749,065		1,749,065	1,749,065	
Wildlife Services	768,800	868,800		868,800	400,000	468,800
Total all funds	\$64,737,742	\$64,537,742	\$1,349,999	\$65,887,741	\$65,918,942	(\$31,201)
Less estimated income	64,737,742	64,537,742	1,349,999	65,887,741	65,918,942	(31,201)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	157.00	157.00	0.00	157.00	157.00	0.00

**Department No. 720 - Game and Fish Department - Detail of Conference Committee Changes**

	Adds Funding for Land Purchases <sup>1</sup>	Restores Funding for Grahams Island State Park Road Project <sup>2</sup>	Increases Spending Authority for Hunting Access and Deer Depredation <sup>3</sup>	Total Conference Committee Changes
Salaries and wages				
Operating expenses				
Capital assets	199,999			199,999
Grants		300,000		300,000

Land habitat and deer			850,000	850,000
Noxious weed control				
Missouri River enforcement				
Grants, gifts, and donations				
Nongame wildlife conservation				
Lonetree Reservoir				
Wildlife Services				
Total all funds	\$199,999	\$300,000	\$850,000	\$1,349,999
Less estimated income	199,999	300,000	850,000	1,349,999
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for Game and Fish Department land purchases is increased by \$199,999 to provide total funding of \$999,999. The House increased funding for land purchases by \$700,000 to provide total funding of \$1.5 million.

<sup>2</sup> Funding of \$300,000 removed by the Senate for the Grahams Island State Park road project is restored to provide total grant funding of \$400,000 for the project. The funding was also restored by the House.

<sup>3</sup> The land habitat and deer depredation line item is increased due to anticipated additional federal funding for hunting access programs and greater than anticipated requests for deer depredation assistance. The funding is declared to be an emergency measure. The House also added this funding.

This amendment also:

- Adds a section to provide that funding for Missouri River law enforcement activities may be used for salaries and operating expenses for department employees coordinating or performing Missouri River law enforcement activities and for grants to local law enforcement agencies performing Missouri River law enforcement activities. The funding may not be used to purchase equipment with a cost of \$3,000 or more. The House also added this section.

Engrossed SB 2017 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. WANZEK MOVED** that the conference committee report on Engrossed SB 2017 as printed on SJ pages 1777-1779 be adopted.

#### REQUEST

**SEN. LYSON REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed SB 2017, the conference committee report on Engrossed SB 2017 was rejected on a verification vote.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2017.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2276.

#### 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 2276.

#### 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 1003.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1004.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 27, 2011, I have signed the following: SB 2024, SB 2049, SB 2073, SB 2113, SB 2114, SB 2187, SB 2197, SB 2203, SB 2207, SB 2231, SB 2233, SB 2247, SB 2308, SB 2309, SB 2311, SB 2325, SB 2327, SB 2347, and SB 2369.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the Fourth, Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, April 28, 2011, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2020, as engrossed:** Your conference committee (Sens. Fischer, Holmberg, Robinson and Reps. Skarphol, Monson, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1364-1365, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1364 and 1365 of the Senate Journal and pages 1523 and 1524 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new subsection to section 11-37-02 and a new section to chapter 61-04 of the North Dakota Century Code, relating to joint powers entities and commerce authorities and metering certain water sources;"

Page 1, line 2, after "reenact" insert "subsection 2 of section 11-37-03, section 11-37-04, subsection 8 of section 11-37-06, and subsection 1 of section 11-37-08 of the North Dakota Century Code and"

Page 1, line 3, after the first "to" insert "conversion of joint powers entities to commerce authorities and additional powers of commerce authorities and"

Page 1, line 3, after the second semicolon insert "to provide a transfer;"

Page 1, line 5, after the third semicolon insert "to provide for application; to provide an expiration date;"

Page 2, line 19, after "**APPROPRIATION**" insert "**- BUDGET SECTION APPROVAL**"

Page 2, line 23, after the period insert "The state water commission shall request and receive budget section approval prior to the expenditure of any funds in excess of the \$447,913,774 of funding appropriated in the water and atmospheric resources line item in section 1 of this Act."

Page 3, line 9, remove the overstrike over "~~land purchases~~"

Page 3, line 10, remove the overstrike over "and"

Page 3, line 10, after "costs" insert "and may not be used for the purchase of dwellings"

Page 3, line 15, after the underscored period insert "Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."

Page 3, line 22, after "for" insert "land purchases and"

Page 3, line 22, after "costs" insert "and may not be used for the purchase of dwellings"

Page 3, line 25, after the period insert "Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."



Page 4, replace lines 3 through 6 with:

**"SECTION 9.** A new subsection to section 11-37-02 of the North Dakota Century Code is created and enacted as follows:

Provide a method to convert an existing joint powers entity to a commerce authority for the purpose of achieving status as a political subdivision.

**SECTION 10. AMENDMENT.** Subsection 2 of section 11-37-03 of the North Dakota Century Code is amended and reenacted as follows:

2. Two or more political subdivisions, whether in this state or in an adjoining state provided that at least one political subdivision is in this state, may create by execution of a joint agreement authorized by resolution of the governing body of each participating subdivision, a commerce authority that may exercise its functions upon the issuance by the secretary of state of a certificate of incorporation. Two or more political subdivisions, that are parties to a joint powers agreement under chapter 54-40 or 54-40.3, may convert an existing joint powers entity to a commerce authority by execution of a joint agreement authorized by resolution of the governing body of each participating political subdivision. The governing bodies of the participating political subdivisions shall appoint, pursuant to the joint agreement, no fewer than five persons as commissioners of the commerce authority.

**SECTION 11. AMENDMENT.** Section 11-37-04 of the North Dakota Century Code is amended and reenacted as follows:

**11-37-04. Filing of agreement and resolutions - Certificate of incorporation - Beginning of corporate existence.**

The joint agreement, if applicable, and a certified copy of the resolution of each political subdivision creating or agreeing to participate in a commerce authority, or converting an existing joint powers entity to a commerce authority, must be filed with the secretary of state. If the agreement and resolutions conform to the requirements of section 11-37-03, the secretary of state shall issue a certificate of incorporation that states the name of the commerce authority and the date of incorporation. The existence of the commerce authority as a political subdivision of this state begins upon the issuance of the certificate of incorporation. The certificate of incorporation is conclusive evidence of the existence of the commerce authority.

**SECTION 12. AMENDMENT.** Subsection 8 of section 11-37-06 of the North Dakota Century Code is amended and reenacted as follows:

8. Establish the geographical boundaries of the commerce authority within or coextensive with the geographical boundaries of one or more of the participating political subdivisions, or coextensive with the geographical boundaries of the area to be served by the commerce authority.

**SECTION 13. AMENDMENT.** Subsection 1 of section 11-37-08 of the North Dakota Century Code is amended and reenacted as follows:

1. A commerce authority may borrow money and issue bonds, including refunding bonds, in the form and upon the terms as it may determine, payable out of any revenues of the commerce authority. If a commerce authority is formed by conversion of a joint powers entity to a commerce authority under subsection 2 of section 11-37-03, the commerce authority may borrow money and issue bonds to refinance existing obligations of the participating political subdivisions without the provisions of subsection 8 as long as the existing obligations were incurred by the participating political subdivision for the benefit of the converted joint powers entity.

**SECTION 14.** A new section to chapter 61-04 of the North Dakota Century Code is created and enacted as follows:

**Metering of certain water sources required - Rules.**

The state engineer shall require permitholders to purchase and maintain remote metering devices for the metering of water used pursuant to a temporary, conditional, or perfected water permit and sold for oil and gas purposes. Except for nonpotable ground water used for enhanced oil recovery purposes and water uses of less than fifteen acre-feet per year, all other permitted and temporarily permitted industrial water supplies sold for oil and gas purposes are subject to the metering requirements of this section. The state engineer shall develop rules to provide:

1. The specifications for remote terminal water metering devices;
2. That metering be operational by July 1, 2012;
3. That meters be available for inspection by state water commission staff on a daily basis;
4. That meters be sealed and tamperproof;
5. That meters may be replaced only under supervision of the state engineer;
6. That the penalty for circumventing the provisions of this section must be a thirty-day suspension of the noncompliant permit; and
7. That subsequent violations within a year result in a doubling of the penalty for the prior violation.

**SECTION 15. TRANSFER - PERMANENT OIL TAX TRUST FUND - 2009-11 BIENNIUM.** The office of management and budget shall transfer any unexpended funds appropriated from the permanent oil tax trust fund in chapter 25 of the 2009 Session Laws to the water commission fund at the end of the biennium beginning July 1, 2009, and ending June 30, 2011. For the purposes of this section, "end of the biennium" means thirty days after the close of the biennial period but prior to the cancellation of unexpended appropriations under section 54-44.1-11.

**SECTION 16. APPLICATION.** A commerce authority formed by the conversion of a joint powers agreement under this Act remains a valid commerce authority after the expiration date of this Act. Sections 9 through 13 of this Act do not grant any additional authority to exercise the power of eminent domain or issue general obligation bonds to a commerce authority formed by a conversion of a joint powers agreement under this Act.

**SECTION 17. EXPIRATION DATE.** Sections 9 through 13 of this Act are effective through July 31, 2013, and after that date are ineffective."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2020 - State Water Commission - Conference Committee Action**

The conference committee restored a grant to Wildlife Services in a legislative intent section to \$250,000, the same as the Senate. The House reduced the grant to \$100,000.

The conference committee added a section relating to the metering of certain water sources, the same as the House, but did not include legislative intent relating to the use of funds for water project priorities included in the House version.

The conference committee restored a section repealing Section 5 of Chapter 535 of the 1999 Session Laws relating to a pledge of revenues from the Grand Forks Corporate Center removed by the House.

A legislative intent section relating to the Garrison Diversion Conservancy District removed

by the House was not restored by the conference committee.

In addition, the conference committee adopted the following amendments not included in the Senate or House versions:

- Added a provision to Section 4 requiring the State Water Commission receive Budget Section approval prior to the expenditure of any funds in excess of the funding provided in the water and atmospheric resources line item.
- Amended sections of the bill relating to Fargo flood control.
- Added sections relating to joint powers entities and commerce authorities. Sections were also added to provide for the application and expiration of these sections.
- Added a section to provide for a transfer from the permanent oil tax trust fund of any unexpended funds appropriated by the 2009 Legislative Assembly prior to the end of the 2009-11 biennium.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2057, as engrossed:** Your conference committee (Sens. Grindberg, Holmberg, O'Connell and Reps. Skarphol, Martinson, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1501-1515, adopt amendments as follows, and place SB 2057 on the Seventh order:

That the House recede from its amendments as printed on pages 1501-1515 of the Senate Journal and pages 1696-1710 of the House Journal and that Engrossed Senate Bill No. 2057 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 for defraying the expenses of the department of commerce; to create and enact section 10-30.5-13, a new chapter to title 17, two new sections to chapter 54-60, a new chapter to title 54, a new subdivision to subsection 7 of section 57-38-30.3, and a new section to chapter 57-38 of the North Dakota Century Code, relating to a small business technology investment program, a biofuel blender pump incentive program, the internship fund, an electronic portfolio program, centers of research excellence, and income tax credits for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes; to amend and reenact sections 10-30.5-02, 15-69-01, 15-69-03, 15-69-04, and 15-69-05 of the North Dakota Century Code, relating to the North Dakota development fund, incorporated, and centers of excellence program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of excellence program; to provide for a legislative management study; to provide a vaccinology initiative grant; to provide a continuing appropriation; to provide exemptions; to provide for transfers; to provide legislative intent; to provide an effective date; to provide an expiration date; and to declare an emergency.

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

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2011, and ending June 30, 2013 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,020,840	\$837,411	\$10,858,251
Operating expenses	14,478,272	(451,622)	14,026,650
Capital assets	25,000	45,018	70,018
Grants	65,411,058	(5,383,064)	60,027,994
Discretionary funds	928,083	(1)	928,082

Workforce enhancement	0	375,000	375,000
Economic development initiatives	186,846	0	186,846
Agricultural products utilization	2,536,630	203,137	2,739,767
Centers of research excellence	0	12,000,000	12,000,000
North Dakota trade office	2,064,000	549,400	2,613,400
Partner programs	2,022,044	50,000	2,072,044
Federal fiscal stimulus funds	<u>0</u>	<u>24,496,750</u>	<u>24,496,750</u>
Total all funds	\$97,672,773	\$32,722,029	\$130,394,802
Less estimated income	<u>69,666,470</u>	<u>18,968,467</u>	<u>88,634,937</u>
Total general fund	\$28,006,303	\$13,753,562	\$41,759,865
Full-time equivalent positions	68.00	0.25	68.25

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Workforce enhancement fund	\$1,000,000	\$375,000
American Indian business office	0	50,000
Biofuel blender pumps	1,000,000	0
Promotion and marketing of USS North Dakota	100,000	0
Lewis and Clark foundation grants	1,500,000	0
Theodore Roosevelt Medora foundation grant	500,000	0
Child care grants and loans	1,820,000	0
Centers of research excellence	19,500,000	12,000,000
Electronic portfolio pilot project	0	150,000
2020 and beyond	0	50,000
Great plains applied energy research center	5,000,000	0
Equine processing study	50,000	0
Federal fiscal stimulus	<u>68,594,635</u>	<u>24,496,750</u>
Total all funds	\$99,064,635	\$37,121,750
Less estimated income	<u>68,594,635</u>	<u>24,496,750</u>
Total general fund	\$30,470,000	\$12,625,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of commerce shall report to the

appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 3. AMENDMENT.** Section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

**10-30.5-02. (Effective through July 31, ~~2011~~2013) Purpose and fund uses.**

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.
4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.
5. Moneys in the development fund may be used to provide financing to early childhood facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or loans to match grants or loans made by county-authorized or city-authorized development corporations, job development authorities created under chapter 11-11.1 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real estate facilities or for acquiring equipment for establishing or expanding a licensed early childhood facility. In providing financing under this subsection, the corporation shall ensure funds are distributed fairly among for-profit early childhood facilities, nonprofit early childhood facilities, and public early childhood facilities. An award under this subsection may not exceed one hundred thousand dollars per award.

**(Effective after July 31, ~~2011~~2013) Purpose and fund uses.**

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.

2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.
4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.

**SECTION 4.** Section 10-30.5-13 of the North Dakota Century Code is created and enacted as follows:

**10-30.5-13. Small business technology investment program.**

1. The corporation shall administer a small business technology investment program that provides matching investments to startup technology-based businesses.
2. The following provisions apply to small business technology investments:
  - a. A qualified applicant:
    - (1) Must be a North Dakota business that is at the startup stage;
    - (2) Must be a primary sector business in the technology field; and
    - (3) Shall meet underwriting guidelines established by the corporation.
  - b. Before the corporation distributes funds under this section, the recipient shall provide the corporation with detailed documentation of the availability of two dollars of angel fund investment matching funds for each dollar of state funds distributed under this section. The matching funds must be cash, must come from a North Dakota angel fund certified under section 57-38-01.26, and may not be an in-kind asset.
3. An investment under this section may not exceed fifty thousand dollars. Eligible use of the investment funds include developing a proof of concept. A recipient may not receive more than one award under this section.
4. An investment under this section is not a business incentive under chapter 54-60.1.

**SECTION 5. AMENDMENT.** Section 15-69-01 of the North Dakota Century Code is amended and reenacted as follows:

**15-69-01.-(Effective through July 31, 2014) Definitions.**

In this chapter, unless the context otherwise requires:

1. "Board" means the state board of higher education.

2. "Center" means a center of excellence relating to economic development which has been designated or named under this chapter.
3. "Commission" means the centers of excellence commission.
4. "Department" means the department of commerce.
5. "Foundation" means the North Dakota economic development foundation.
5. ~~"Industry cluster" means one of the following industries:~~
  - a. ~~Advanced manufacturing;~~
  - b. ~~Energy;~~
  - c. ~~Information and technology;~~
  - d. ~~Tourism;~~
  - e. ~~Value-added agriculture; or~~
  - f. ~~An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.~~
6. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.

**SECTION 6. AMENDMENT.** Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

**15-69-03. ~~(Effective through July 31, 2011)~~ Centers of excellence commission.**

The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new member for the remainder of the term. Terms of commission members must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The department of commerce shall provide the commission with appropriate staff services as may be requested by the commission.

**SECTION 7. AMENDMENT.** Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

**15-69-04. ~~(Effective through July 31, 2011)~~ Application – Eligibility requirementsCenters of excellence program.**

1. ~~The department of commerce shall provide center application forms, accept applications, review applications for completeness and compliance with board and commission policy, forward complete applications to the commission in accordance with guidelines established~~

- by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission. No more than two applications per campus of an institution of higher education under the control of the board may be submitted to the department of commerce for each round of center funding.
2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the department of commerce to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.
  3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
    - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;
    - b. Create high-value private sector employment opportunities in this state;
    - c. Provide for public-private sector involvement and partnerships;
    - d. Leverage other funding, including cash from the private sector;
    - e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
    - f. Foster and practice entrepreneurship;
    - g. Promote the commercialization of new products and services in industry clusters;
    - h. Become financially self-sustaining; and
    - i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
  4. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.
  5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

**SECTION 8. AMENDMENT.** Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:



**15-69-05. (~~Effective through July 31, 2011~~) Use of funds - Terms of funds  
- Distribution of funds.**

1. A center shall use funds awarded under this chapter to enhance capacity and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the ~~board~~department, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter after the second full fiscal year of the postaward monitoring and after all funds distributed to the center under this chapter have been expended and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
  - a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
  - b. Verification of compliance with the centers of excellence program matching fund requirements;
  - c. Verification awarded center funds were used for authorized uses;
  - d. Verification the center complied with the center's application timeline and any authorized revisions;
  - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
  - f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
  - g. Verification of a sample of labor charged to the center; and
  - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
3. Before the commission directs the department of commerce to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for

~~services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.~~

4. The commission shall direct the department of commerce to distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
5. If, before funds are distributed by the department of commerce, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department of commerce withhold all or a portion of any undistributed funds pending commission review of the changes.
6. ~~The commission department may use funds appropriated for available within the centers of excellence program fund to pay for the commission's department's administrative expenses, which may include contracting for independent, expert reviews of complete applications and centers of excellence forums related to this program. The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the funds appropriated for the program that biennium.~~

**SECTION 9.** A new chapter to title 17 of the North Dakota Century Code is created and enacted as follows:

**Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. "Biodiesel" means any non-petroleum-based diesel fuel made from a renewable resource such as vegetable oil or animal fat.
2. "E85 fuel" means a petroleum product that:
  - a. Is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline;
  - b. Typically contains eighty-five percent ethanol by volume but must at a minimum contain sixty percent ethanol by volume; and
  - c. Complies with the American society for testing materials specification D 5798-96.
3. "Motor fuel retailer" means a person that acquires motor vehicle fuel from a supplier or distributor for resale to a consumer at a retail location.
4. "Retail location" means a site at which motor vehicle fuel is dispensed through a pump from an underground or aboveground storage tank into the supply tank of a motor vehicle.

**Biofuel blender pump incentive program - Administration.**

1. The department of commerce shall administer the biofuel blender pump incentive program to provide cost-share grants of up to a maximum of twenty thousand dollars per retail location to motor fuel retailers for the installation of biofuel blender pumps and up to fourteen thousand dollars per retail location for the installation of associated equipment, including the piping systems and storage components, when blender pumps are installed for a maximum grant of thirty-four thousand dollars per location.

2. In determining eligibility for grant funds, the department shall establish by rule criteria governing:
  - a. The verification of costs for biofuel blender pumps and associated equipment, including the piping system and storage components;
  - b. The eligibility of grant recipients;
  - c. The application and grant award procedure; and
  - d. Reporting and accountability procedures for grant recipients.

**Blender pumps - Requirements.**

1. To qualify for a grant under this chapter, a retailer must install an ethanol blender pump and an associated storage and piping system. The pump must be the type that:
  - a. Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the purchaser;
  - b. Is manufactured to an industry standard and carries a warranty for compatibility with dispenser components and storage and piping systems;
  - c. Has at least four hoses and dispenses the following:
    - (1) Either a blend of ten percent ethanol or the minimum blend percentage approved for all vehicles by the United States environmental protection agency;
    - (2) A blend of at least twenty percent ethanol; and
    - (3) E85 fuel; and
  - d. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.
2. In order to qualify for a grant under this chapter, a retailer must install a biodiesel blender pump that:
  - a. Dispenses at retail varying blends of biodiesel and mineral diesel in the ratio selected by the purchaser; and
  - b. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.

**Biofuel blender pump incentive program - Administrative costs.**

The department may use up to five percent of any amount appropriated to the biofuel blender pump incentive program for administration, the dissemination of information regarding the biofuel blender pump incentive program, and the dissemination of information regarding the benefits of biofuels.

**SECTION 10.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Internship fund - Continuing appropriation.**

The internship fund is a special fund in the state treasury. All funds in the internship fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering section 54-60-17. Interest earned by the fund must be credited to the fund.

**SECTION 11.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Division of workforce development - Pilot program - Higher education electronic portfolio system.**

1. The division of workforce development, the North Dakota university system, job service North Dakota, and representatives of the institutions of higher education under the control of the state board of higher education shall work together to establish a pilot program through which an electronic portfolio system will be implemented by selected institutions of higher education under the control of the state board of higher education in order to address the needs of students, faculty, and employers. The pilot program may include Valley City state university and the North Dakota state college of science. If Valley City state university or the North Dakota state college of science chooses not to participate, any other institution of higher education under the control of the state board of higher education may participate in this pilot program.
2. The pilot program must provide for an electronic portfolio system that:
  - a. Is online;
  - b. Is a multimedia system that enables the user to create and manage the user's education and career information;
  - c. Enables students, job seekers, and professionals to showcase education and skills to potential employers;
  - d. Provides for creation of and access to lifelong personal electronic portfolio accounts and services to students, job seekers, and professionals seeking to advance their careers in the state;
  - e. Provides access to job seekers residing outside the state who may be interested in relocating or returning to the state; and
  - f. Allows employers and economic developers to conduct online searches to determine workforce potential by geographic region, skill, education, experience, and other factors.
3. Under this pilot program, the North Dakota university system, job service North Dakota, and the division of workforce development shall work together to:
  - a. Facilitate the effective integration of future workers into the workforce system and to enhance the ability of state and local economic development officials to effectively access North Dakota's skilled workforce through the system; and
  - b. Ensure the system is complementary to the state's workforce system and higher education system.
4. The division of workforce development shall administer the pilot program.
5. The division of workforce development shall report to the budget section on the use of the funding provided for this program, including an overview of the program, program expenditures, and statistics on the effectiveness of the program.

**SECTION 12.** A new chapter to title 54 of the North Dakota Century Code is created and enacted as follows:

**Definitions.**

In this chapter, unless the context otherwise requires:

1. "Center" means a center of research excellence that has been designated under this chapter.
2. "Commission" means the centers of excellence commission as defined under chapter 15-69.
3. "Department" means the department of commerce.
4. "Industry cluster" means one of the following industries:
  - a. Advanced manufacturing;
  - b. Energy;
  - c. Information and technology;
  - d. Value-added agriculture; or
  - e. An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.
5. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.
6. "Research university" means an institution under the control of the state board of higher education which has a full-time student enrollment in excess of nine thousand students.

**Centers of research excellence - Application - Eligibility.**

1. The department shall establish a centers of research excellence program. The commission shall make funding award determinations under this program. A center must be a research university or a nonprofit university-related or college-related foundation of a research university which is working in partnership with the private sector.
2. The department shall provide center application forms, accept applications, review applications for completeness and compliance with commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission.
3. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the department to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.
4. In considering whether to approve or disapprove a center application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
  - a. Use university research to promote private sector job growth and expansion of knowledge-based industries or use university research

- to promote the development of new products, high-tech companies, or skilled jobs in this state;
- b. Create high-value private sector employment opportunities in this state;
  - c. Provide for public-private sector involvement and partnerships;
  - d. Leverage other funding, including cash from the private sector;
  - e. Promote the commercialization of new products and services in industry clusters; and
  - f. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
5. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.
6. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers.

**Use of funds - Terms of funds - Distribution of funds - Postaward monitoring.**

1. A center shall use center grant funds to enhance capacity and leverage state, federal, and private sources of funding. A center awarded center funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.
3. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter after the second full fiscal year of the postaward monitoring and after all funds distributed to the center under this chapter have been expended and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
  - a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;

- b. Verification of compliance with the centers of excellence program matching fund requirements;
  - c. Verification awarded center funds were used for authorized uses;
  - d. Verification the center complied with the center's application timeline and any authorized revisions;
  - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
  - f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
  - g. Verification of a sample of labor charged to the center; and
  - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
4. Before the commission directs the department to distribute center funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission shall give major consideration to the portion of the matching funds provided in cash by the private sector.
5. The commission shall direct the department to distribute the center funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of center funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
6. If, before center funds are distributed by the department, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department withhold all or a portion of any undistributed funds pending commission review of the changes.
7. The commission may use funds appropriated for the centers of research excellence program to pay for the commission's administrative expenses.

#### **Base realignment grants.**

As part of the centers of research excellence program, the department of commerce shall establish and administer a base realignment grant program to provide grants to a research university or a nonprofit university-related foundation to enhance economic development and employment opportunities associated with the Grand Forks air force base resulting from action by the federal defense base closure and realignment commission and infrastructure and economic development projects or programs to accommodate growth in proximity to or at the Grand Forks air force base. Under this program, the commission shall make grant award determinations. The department shall work with the commission in establishing guidelines to qualify for a grant under this section.

**Centers of research excellence fund - Continuing appropriation.**

The centers of research excellence fund is a special fund in the state treasury. All moneys in the centers of research excellence fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering this chapter. Interest earned on moneys in the fund must be credited to the fund.

**SECTION 13.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Automating manufacturing processes tax credit under section 14 of this Act.

**SECTION 14.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes.**

1. A taxpayer that is a primary sector business is allowed a nonrefundable credit against the tax imposed under section 57-38-30 or 57-38-30.3 for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes in this state. The amount of the credit under this section is twenty percent of the costs incurred in the taxable year to purchase manufacturing machinery and equipment for the purpose of automating manufacturing processes. Qualified expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed by law.
2. For purposes of this section:
  - a. "Manufacturing machinery and equipment for the purpose of automating manufacturing processes" means new or used automation and robotic equipment.
  - b. "Primary sector business" means a business certified by the department of commerce which, through the employment of knowledge or labor, adds value to a product, process, or service that results in the creation of new wealth.
3. The taxpayer shall claim the total credit amount for the taxable year in which the manufacturing machinery and equipment are purchased. The credit under this section may not exceed the taxpayer's liability as determined under this chapter for any taxable year.
4. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
5. The aggregate amount of credits allowed under this section may not exceed two million dollars in any calendar year. Credits subject to this limitation must be determined based upon the date of the qualified purchase.
6. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included in the North Dakota consolidated return.
7. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be



determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.

8. The department of commerce shall provide the tax commissioner the name, address, and federal identification number or social security number of the taxpayer approved as qualifying for the credit under this section, and a list of those items that were approved as a qualified expenditure by the department. The taxpayer claiming the credit shall file with the taxpayer's return, on forms prescribed by the tax commissioner, the following information:
  - a. The name, address, and federal identification number or social security number of the taxpayer who made the purchase; and
  - b. An itemization of:
    - (1) Each item of machinery or equipment purchased for automation;
    - (2) The amount paid for each item of machinery or equipment if the amount paid for the machinery or equipment is being used as a basis for calculating the credit; and
    - (3) The date on which payment for the purchase was made.
9. Notwithstanding the time limitations contained in section 57-38-38, this section does not prohibit the tax commissioner from conducting an examination of the credit claimed and assessing additional tax due under section 57-38-38.

**SECTION 15. EXEMPTION.** The amount appropriated for the agricultural products utilization commission in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 16. EXEMPTION.** The amount appropriated for the discretionary funds line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 17. EXEMPTION - TRANSFER.** The amount appropriated for internships contained in the operating expenses line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11. The office of management and budget shall transfer any unexpended funds from this appropriation to the internship fund at the end of the 2011-13 biennium.

**SECTION 18. EXEMPTION - TRANSFER.** Of the \$5,000,000 appropriated for the great plains applied energy research center in section 1 of chapter 26 of the 2009 Session Laws, \$4,100,000 is not subject to section 54-44.1-11. The department of commerce shall spend these funds for the purposes provided for in this section, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall transfer \$1,000,000 of these funds to the North Dakota development fund, incorporated, for the purpose of providing investments to startup stage technology-based businesses under section 4 of this Act. The office of management and budget shall transfer \$1,125,000 of these funds to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22. The department of commerce shall use \$750,000 of these funds for tourism infrastructure grants. The department of commerce shall use \$600,000 of these funds for a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma. The

department of commerce shall use \$325,000 for providing a base realignment grant to enhance economic development and employment opportunities associated with the Minot air force base resulting from action by the federal defense base closure and realignment commission. The department of commerce shall use \$300,000 for a grant to a not-for-profit organization assisting individuals with business ideas.

**SECTION 19. EXEMPTION.** The amount appropriated for the technology-based entrepreneurship grant program contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 20. EXEMPTION.** The amount appropriated for early childhood facility grants in section 6 of chapter 108 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 21. EXEMPTION.** The amount appropriated for the biofuel blender pump incentive program in sections 1 and 2 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 22. EXEMPTION.** The amount appropriated for the promotion and marketing of the USS North Dakota contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 23. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of management and budget shall transfer the amount appropriated in the workforce enhancement line item in section 1 of this Act to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22 for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 24. TRANSFER - CENTERS OF RESEARCH EXCELLENCE FUND - USES.** The office of management and budget shall transfer the amount appropriated in the centers of research excellence line item in section 1 of this Act to the centers of research excellence fund for the purpose of implementing and administering the centers of research excellence grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. Of the funds transferred, the centers of excellence commission may use up to \$4,000,000 for a limited deployment-cooperative airspace project grant as provided in section 28 of this Act. Of the \$8,000,000 remaining, the centers of excellence commission may not award more than \$4,000,000 to one research university or nonprofit foundation related to that research university. Of the \$4,000,000 available to the university of North Dakota, \$3,000,000 shall be used for base realignment grants. The commission may use any funds that are not committed within the first eighteen months of the biennium for the centers of research excellence program.

**SECTION 25. TRANSFER - INTERNSHIP FUND.** The office of management and budget shall transfer \$900,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund.

**SECTION 26. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North Dakota trade office special line and the general fund appropriation in section 1 of this Act include \$2,613,400 of funding relating to the North Dakota trade office. The department of commerce may spend seventy percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides \$1 of matching funds from private or other public sources for each \$1 provided by the department for the biennium beginning July 1, 2011, and ending June 30, 2013. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

**SECTION 27. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.**

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,100,000, or so much of the sum as may be necessary, to the department of human services, for the purpose of providing grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building as provided for in section 50-11.1-14.1, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 28. CENTERS OF RESEARCH EXCELLENCE LIMITED DEPLOYMENT-COOPERATIVE AIRSPACE PROJECT GRANT.** The department of commerce may use \$4,000,000 of the funds transferred to the centers of research excellence fund in section 24 of this Act for grants to the North Dakota university system's research institutions for the purpose of leveraging private and federal funding to advance state opportunities associated with a limited deployment-cooperative airspace project in the state during the biennium beginning July 1, 2011, and ending June 30, 2013. Up to \$2,700,000 of this amount may be awarded to the university of North Dakota and up to \$1,300,000 to North Dakota state university. The commissioner of commerce shall develop application criteria, review submitted applications, and recommend applications for approval to the centers of excellence commission. The commission may use any funds available under this section which are not committed by July 1, 2012, for the centers of research excellence program. Of the remaining available funds, the commission may not award more than one-half to one research university or nonprofit foundation related to that research university.

**SECTION 29. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND BEYOND INITIATIVE.**

1. During the 2011-12 interim, the North Dakota economic development foundation shall contract with an organization with North Dakota business membership which is statewide in scope and represents business interests across the state in order to conduct a 2020 and beyond initiative. The 2020 and beyond initiative must include periodic meetings of six legislators appointed by the chairman of the legislative management, with two members of the senate, one of whom must be from the majority party and one of whom must be from the minority party and two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party; individuals representing North Dakota business interests, individuals representing North Dakota education interests, and individuals representing state and local government interests.
2. The 2020 and beyond initiative must:
  - a. Assess current assets and resources of the state and whether these assets and resources match the emerging opportunities and trends in the state;
  - b. Study and assess successful models of other states and countries in creating economic growth and whether those models could be replicated and improved upon in this state;
  - c. Evaluate the effectiveness of programs and investments in the state designed to develop the state's workforce and to attract and retain businesses in the state;
  - d. Identify impediments to and opportunities for economic growth and job creation in the state;
  - e. Consider what new investments in infrastructure and changes to the state's tax and regulatory environment could be made to maintain and increase the state's standing as a business-friendly state;
  - f. Evaluate the state's higher education model to determine whether maximum opportunities for synergy between public and private sectors are being realized;

- g. Consider how higher education institutions in the state could spur economic development in the state through innovation, knowledge transfer, and community engagement;
    - h. Find ways to unite public, nonprofit, and business interests behind common goals and solutions for faster, better results; and
    - i. Make recommendations to the North Dakota economic development foundation based on the outcome of the initiative.
3. The legislative members of the 2020 and beyond initiative are entitled to receive compensation and expenses from the legislative council in the same manner as provided for members of the legislative management committees under section 54-35-10.
4. The grants line item in section 1 of this Act includes the sum of \$50,000 from the general fund for providing a grant to implement the 2020 and beyond initiative.

**SECTION 30. DEPARTMENT OF COMMERCE GRANT - INSTITUTION OF HIGHER EDUCATION VACCINOLOGY INITIATIVE.** Of the funds appropriated in the discretionary funds line item in section 1 of this Act, \$50,000 from the general fund may be used by the department of commerce to provide a matching grant to an institution of higher education for a vaccinology initiative. The department shall require one dollar of matching funds from the institution for each one dollar of state funds awarded as a grant.

**SECTION 31. LEGISLATIVE MANAGEMENT STUDY - EXAMINATION OF POPULATION GROWTH IMPACT ON REVENUES.** During the 2011-12 interim, the legislative management shall consider studying the development of a reliable means of estimating the effect of future population growth on state and local government revenues. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 32. LEGISLATIVE MANAGEMENT STUDY - EARLY CHILDHOOD SERVICES PROVIDER TRAINING AND ASSISTANCE.** During the 2011-12 interim, the legislative management shall consider studying the means by which training and assistance are provided to early childhood services providers and the efficiency of administering training and assistance to early childhood services providers, including whether there is duplication of efforts. The study should review the effectiveness of funding provided to the department of human services for early childhood care, including workforce development, child care capacity, and quality improvement for early childhood facilities, for the 2009-11 biennium and to the department of commerce for financing to early childhood facilities and early childhood facility grants for technical assistance, a business plan, or infrastructure for the 2009-11 biennium. The study should also consider the effectiveness of funding provided to the department of human services for child care service provider grants for the 2011-13 biennium. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 33. LEGISLATIVE INTENT - CENTER OF RESEARCH EXCELLENCE PROGRAM CONTINUITY.** It is the intent of the sixty-second legislative assembly that the center of research excellence program be considered an ongoing program of the department of commerce.

**SECTION 34. REPEAL.** Chapter 15-69 of the North Dakota Century Code is repealed.

**SECTION 35. EFFECTIVE DATE.** Section 35 of this Act becomes effective on August 1, 2023.

**SECTION 36. EXPIRATION DATE.** Section 9 of this Act is effective through July 31, 2013, and after that date is ineffective. Section 11 of this Act is effective through June 30, 2013, and after that date is ineffective.

**SECTION 37. EFFECTIVE DATE - EXPIRATION DATE.** Sections 13 and 14 of this Act are effective for the first three taxable years beginning after December 31, 2012, and are thereafter ineffective.

**SECTION 38. EMERGENCY.** Funding of \$900,000 in the operating expenses line item in section 1 of this Act, relating to the operation intern program, and sections 9, 10, and 18 of this Act are declared to be an emergency measure."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2057 - Summary of Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Williston State College						
Total all funds	\$0	\$0	\$0	\$0	\$2,000,000	(\$2,000,000)
Less estimated income	0	0	0	0	1,500,000	(1,500,000)
General fund	\$0	\$0	\$0	\$0	\$500,000	(\$500,000)
Department of Human Services						
Total all funds	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Department of Commerce						
Total all funds	\$0	\$20,000,000	\$110,394,802	\$130,394,802	\$131,514,740	(\$1,119,938)
Less estimated income	0	0	88,634,937	88,634,937	88,634,937	0
General fund	\$0	\$20,000,000	\$21,759,865	\$41,759,865	\$42,879,803	(\$1,119,938)
Bill total						
Total all funds	\$0	\$20,000,000	\$113,494,802	\$133,494,802	\$133,514,740	(\$19,938)
Less estimated income	0	0	88,634,937	88,634,937	90,134,937	(1,500,000)
General fund	\$0	\$20,000,000	\$24,859,865	\$44,859,865	\$43,379,803	\$1,480,062

**Senate Bill No. 2057 - Williston State College - Conference Committee Action**

The hoghouse amendment removes a general fund appropriation of \$500,000 and authority to borrow up to \$1.5 million from the Bank of North Dakota provided to Williston State College by the House for a workforce training building project.

**Senate Bill No. 2057 - Department of Human Services - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Child care service provider grants			\$3,100,000	\$3,100,000		\$3,100,000
Total all funds	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 325 - Department of Human Services - Detail of Conference Committee Changes**

Adds Funding for Child Care	Total Conference
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	Service Provider Grants <sup>1</sup>	Committee Changes
Child care service provider grants	\$3,100,000	\$3,100,000
Total all funds	\$3,100,000	\$3,100,000
Less estimated income	0	0
General fund	\$3,100,000	\$3,100,000
FTE	0.00	0.00

<sup>1</sup> Funding is added by the conference committee to provide an appropriation to the Department of Human Services for grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building as provided in section 50-11.1-14.1. The House provided \$5 million for these grants, of which \$4,935,000 is from the general fund, to the Department of Commerce to work in collaboration with the Department of Human Services to administer these grants.

**Senate Bill No. 2057 - Department of Commerce - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages			\$10,858,251	\$10,858,251	\$10,871,979	(\$13,728)
Operating expenses			14,026,650	14,026,650	13,883,260	143,390
Capital assets			70,018	70,018	70,018	
Grants			60,027,994	60,027,994	71,512,994	(11,485,000)
Centers of entrepreneurship grants		5,000,000	(5,000,000)			
Limited deployment-cooperative airspace		3,500,000	(3,500,000)			
Workforce enhancement fund transfer		2,000,000	(2,000,000)			
Centers of research excellence grants		8,000,000	(8,000,000)			
Eminent research challenge grants		1,500,000	(1,500,000)			
North Dakota development fund Discretionary funds			928,082	928,082	250,000	(250,000)
Agricultural products utilization			2,739,767	2,739,767	2,739,767	
North Dakota trade office			2,613,400	2,613,400	2,553,000	60,400
Partner programs			2,072,044	2,072,044	2,022,044	50,000
Federal fiscal stimulus funds			24,496,750	24,496,750	24,496,750	
Economic development initiatives			186,846	186,846	186,846	
Workforce enhancement			375,000	375,000	2,000,000	(1,625,000)
Centers of Research Excellence			12,000,000	12,000,000		12,000,000
Total all funds	\$0	\$20,000,000	\$110,394,802	\$130,394,802	\$131,514,740	(\$1,119,938)
Less estimated income	0	0	88,634,937	88,634,937	88,634,937	0
General fund	\$0	\$20,000,000	\$21,759,865	\$41,759,865	\$42,879,803	(\$1,119,938)
FTE	0.00	0.00	70.25	70.25	68.25	2.00

**Department No. 601 - Department of Commerce - Detail of Conference Committee Changes**

	Removes Funding for Grants <sup>1</sup>	Adds Funding for Department of Commerce <sup>2</sup>	Removes Centers of Excellence - Eminent Researcher Recruitment Grant <sup>3</sup>	Reduces Funding for Workforce Enhancement Grants <sup>4</sup>	Removes Funding for Child Care Service Provider Grants <sup>5</sup>	Removes Funding for Child Care Grants and Loans <sup>6</sup>
Salaries and wages		\$11,115,528				(\$13,728)
Operating expenses		14,233,260				(6,610)
Capital assets		70,018				
Grants		60,377,994				
Centers of entrepreneurship grants	(5,000,000)				(250,000)	(100,000)
Limited deployment-cooperative airspace	(3,500,000)					
Workforce enhancement fund transfer	(2,000,000)					

Centers of research excellence grants	(8,000,000)					
Eminent research challenge grants	(1,500,000)					
North Dakota development fund		250,000				(250,000)
Discretionary funds		928,082				
Agricultural products utilization		2,739,767				
North Dakota trade office		2,613,400				
Partner programs		2,122,044				
Federal fiscal stimulus funds		24,496,750				
Economic development initiatives		186,846				
Workforce enhancement		2,000,000			(1,625,000)	
Centers of Research Excellence		13,000,000	(1,000,000)			
<b>Total all funds</b>	<b>(\$20,000,000)</b>	<b>\$134,133,689</b>	<b>(\$1,000,000)</b>	<b>(\$1,625,000)</b>	<b>(\$250,000)</b>	<b>(\$370,338)</b>
Less estimated income	0	88,634,937	0	0	0	0
<b>General fund</b>	<b>(\$20,000,000)</b>	<b>\$45,498,752</b>	<b>(\$1,000,000)</b>	<b>(\$1,625,000)</b>	<b>(\$250,000)</b>	<b>(\$370,338)</b>
FTE	0.00	69.25	0.00	0.00	0.00	0.00

	<b>Removes Funding for A Director of Energy FTE and Associated Operating<sup>7</sup></b>	<b>Reduces Funding for the American Indian Business Development Office<sup>8</sup></b>	<b>Removes Funding for the Jobs for America's Graduates Programs<sup>9</sup></b>	<b>Total Conference Committee Changes</b>
Salaries and wages	(\$243,549)			\$10,858,251
Operating expenses	(100,000)		(100,000)	14,026,650
Capital assets				70,018
Grants				60,027,994
Centers of entrepreneurship grants				(5,000,000)
Limited deployment-cooperative airspace				(3,500,000)
Workforce enhancement fund transfer				(2,000,000)
Centers of research excellence grants				(8,000,000)
Eminent research challenge grants				(1,500,000)
North Dakota development fund				928,082
Discretionary funds				2,739,767
Agricultural products utilization				2,613,400
North Dakota trade office				2,072,044
Partner programs		(50,000)		24,496,750
Federal fiscal stimulus funds				186,846
Economic development initiatives				375,000
Workforce enhancement				12,000,000
Centers of Research Excellence				
<b>Total all funds</b>	<b>(\$343,549)</b>	<b>(\$50,000)</b>	<b>(\$100,000)</b>	<b>\$110,394,802</b>
Less estimated income	0	0	0	88,634,937
<b>General fund</b>	<b>(\$343,549)</b>	<b>(\$50,000)</b>	<b>(\$100,000)</b>	<b>\$21,759,865</b>
FTE	1.00	0.00	0.00	70.25

<sup>1</sup> The amendment removes funding included in the Senate version for the following grants:

- Centers of entrepreneurship grants.
- Limited deployment-cooperative airspace.
- Workforce enhancement fund transfer.
- Centers of research excellence grants.
- Eminent researcher recruitment challenge grants.

<sup>2</sup> The amendment provides the same funding level and FTE positions for the Department of Commerce as approved by the Senate in Engrossed House Bill No. 1018.

<sup>3</sup> Funding provided in the Senate version of House Bill No. 1018 for an eminent researcher recruitment grant is removed. This change is the same as the House version.

<sup>4</sup> Funding provided in the Senate version of House Bill No. 1018 for workforce enhancement grants is reduced by \$1,625,000 to provide a total of \$375,000 from the general fund. The House version of House Bill No. 1018 and Senate Bill No. 2057 provided \$2 million from the

general fund for these grants. However, the conference committee is authorizing the department to use up to \$1,125,000 from unspent 2009-11 biennium appropriation authority for the Great Plains Applied Energy Research Center for workforce enhancement grants during the 2011-13 biennium, therefore, making available a total of \$1.5 million.

<sup>5</sup> Funding of \$250,000 provided in the Senate version of House Bill No. 1018 for grants to child care service providers is removed. The conference committee amendment provides a separate appropriation of \$3.1 million to the Department of Human Services for grants to child care service providers. The House provided \$5 million for these grants, of which \$4,935,000 is from the general fund.

<sup>6</sup> Funding provided in the Senate version of House Bill No. 1018 for the child care grants and loans is removed. The House version provided \$100,000 from the general fund for grants, \$250,000 for child care loans, and \$20,338 for the administration of the child care loan and grant program.

<sup>7</sup> Funding provided in the Senate version of House Bill No. 1018 for a director of energy position (\$243,549) and associated operating expenses (\$100,000) is removed. The House version of House Bill No. 1018 and Senate Bill No. 2057 did not provide funding for this FTE position or related operating expenses.

<sup>8</sup> Funding provided in the Senate version of House Bill No. 1018 for the American Indian Business Development Office is reduced by \$50,000 to provide a total of \$150,000 from the general fund. The House version provided \$100,000 from the general fund for the American Indian Business Development Office.

<sup>9</sup> Funding provided in the Senate version of House Bill No. 1018 to continue four Jobs for America's Graduates programs previously paid with federal funds in the 2009-11 biennium is removed. The House version did not provide funding for this program.

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The conference committee amendment is a hoghouse amendment that incorporates the Senate version of House Bill No. 1018 into Senate Bill No. 2057; however, this amendment makes the following changes to the Senate version of House Bill No. 1018:

- The Senate version of House Bill No. 1018 used \$4 million of unspent 2009-11 biennium appropriations from the Great Plains Applied Energy Research Center for entrepreneurial centers development grants and \$1 million to the Development Fund for investments in startup stage technology-based businesses. In the conference committee amendment, this is changed to provide \$1 million to the Development Fund for investments in startup stage technology-based businesses, \$1.125 million for workforce enhancement grants, \$750,000 of one-time funding for tourism infrastructure grants, \$600,000 for a grant to assist in the acquisition of the antiballistic missile site (ABM) at the Stanley R. Mickelson safeguard complex in Nekoma, \$325,000 of one-time funding for a Minot Air Force Base realignment grant to the Minot TF-21 Committee, and \$300,000 of one-time funding for a grant to the IDEA Center.
- The funding source for a grant to assist in the acquisition of the ABM site at the Stanley R. Mickelson Safeguard Complex in Nekoma provided in the Senate version of House Bill No. 1018 is changed from the strategic investment and improvements fund to the Great Plains Applied Energy Research Center carryover.
- Regarding the centers of research excellence program, tourism is being removed from the definition of what is included in an "industry cluster." Under centers of research excellence application and eligibility requirements, limiting research university applications to no more than two for each round of center funding is removed as well as the consideration of a center's ability to become financially self-sustaining from the award determination process. Under centers of research excellence use of funds - terms of funds - distribution of funds - postaward monitoring, the public sector required match is changed to permit a match to be provided by a not-for-profit organization.
- Under centers of excellence and centers of research excellence postaward



monitoring section, an audit is required on all funds distributed to the center after the second full fiscal year and after all funds distributed to the center have been expended and that for all other years during the postaward monitoring a center may contract with an independent accountant for an agreed-upon procedures engagement.

- The eminent researcher recruitment grant is removed.
- The entrepreneurial centers development grants are removed.
- The automating manufacturing processes tax credit effective date is changed from December 31, 2011, to December 31, 2012.
- A section added in the Senate version of House Bill No. 1018 to provide for a Legislative Management study of gas flaring issues is removed.
- The higher education electronic portfolio system pilot program is changed to expire as of June 30, 2013, and the department is to provide a report on the program to the Budget Section.
- A section is added to provide for a Legislative Management study of early childhood services provider training and assistance.
- A section of legislative intent is added that the centers of research excellence program continue as an ongoing program of the Department of Commerce.
- Authority provided in the Senate version of House Bill No. 1018 to use \$50,000 from the grants line item as a matching grant for an institution of higher education vaccinology initiative is changed to discretionary funds line item.

Other provisions included in the Senate version of House Bill No. 1018 added in this amendment relate to:

- A small business technology investment program that provides matching investments to startup technology-based businesses.
- Centers of excellence statutory provisions are changed to:
  - Remove the expiration date of the Centers of Excellence Commission of July 31, 2011, and make other changes and additions relating to postaward monitoring;
  - Centers of research excellence and a centers of research excellence fund; and
  - Eminent researcher recruitment grants, base realignment grants, and entrepreneurial centers development grants.
- A pilot program within higher education for an electronic portfolio system administered by the Division of Workforce Development.
- Creating an internship fund.
- Biofuel blender pump incentive program.
- A centers of research excellence fund, and the bill provides for a transfer of the \$12 million provided for centers of excellence to this fund. Of the funding provided, \$4 million is for grants related to limited deployment-cooperative airspace projects (\$2.7 million to the University of North Dakota and \$1.3 million to North Dakota State University).
- An income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes. This credit is anticipated to reduce 2011-13 biennium general fund revenues by \$2 million.
- Authorizing unexpended amounts from the 2009-11 biennium appropriation of \$100,000 for the USS *North Dakota* to continue into the 2011-13 biennium.
- A Legislative Management study of the impact of future population growth on state and local government revenues.

Engrossed SB 2057 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1003, as engrossed:** Your conference committee (Sens. Holmberg, Krebsbach, O'Connell and Reps. Skarphol, Martinson, Williams) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1606-1620, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1606-1620 of the House

Journal and pages 1226-1241 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 2, after "system" insert "; to provide borrowing authority"

Page 1, line 3, after "projects" insert "; to amend and reenact sections 15-10-08 and 15-70-04, subsection 3 of section 43-12.2-03, and subsection 3 of section 43-17.2-03 of the North Dakota Century Code, relating to state board of higher education member compensation, eligibility for the medical personnel loan repayment program, eligibility for the physician loan repayment program, and grants for nonbeneficiary students enrolled in tribally controlled community colleges; to provide legislative intent; to provide for a report; to provide for legislative management studies"

Page 1, remove lines 13 through 24

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 29

Page 7, replace lines 1 through 5 with:

"Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets	\$12,014,048	\$190,721	\$12,204,769
Competitive research program	7,050,000	0	7,050,000
System governance	7,185,612	(308,340)	6,877,272
Title II	695,600	0	695,600
System information technology	30,230,038	5,776,629	36,006,667
services			
Professional liability insurance	1,100,000	(300,000)	800,000
Student financial assistance grants	19,374,022	0	19,374,022
Professional student exchange program	3,337,100	(15,662)	3,321,438
Academic and technical education	3,000,000	(3,000,000)	0
scholarships			
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	381,292	192,975	574,267
Tribally controlled community college	700,000	300,000	1,000,000
grants			
Security and emergency preparedness	750,000	(750,000)	0

Education incentive programs	3,176,344	0	3,176,344
Science, technology, engineering, and mathematics teacher education enhancement	1,500,000	(1,500,000)	0
Equity and student affordability	0	15,240,565	15,240,565
Grants	100,000	(100,000)	0
Total all funds	\$93,507,640	\$15,726,888	\$109,234,528
Less estimated income	<u>4,748,958</u>	<u>(1,994,240)</u>	<u>2,754,718</u>
Total general fund	\$88,758,682	\$17,721,128	\$106,479,810
Full-time equivalent positions	23.30	0.00	23.30

## Subdivision 2.

## BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,204,005	\$2,256,082	\$26,460,087
Capital assets	<u>243,481</u>	<u>13,767,125</u>	<u>14,010,606</u>
Total all funds	\$24,447,486	\$16,023,207	\$40,470,693
Less estimated income	<u>0</u>	<u>8,535,000</u>	<u>8,535,000</u>
Total general fund	\$24,447,486	\$7,488,207	\$31,935,693
Full-time equivalent positions	111.51	0.00	111.51

## Subdivision 3.

## LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,956,210	\$663,033	\$8,619,243
Capital assets	<u>43,662</u>	<u>977,705</u>	<u>1,021,367</u>
Total all funds	\$7,999,872	\$1,640,738	\$9,640,610
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$7,999,872	\$1,640,738	\$9,640,610
Full-time equivalent positions	37.50	0.00	37.50

## Subdivision 4.

## WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,696,999	\$803,898	\$8,500,897
Capital assets	<u>86,475</u>	<u>5,156,326</u>	<u>5,242,801</u>

Total all funds	\$7,783,474	\$5,960,224	\$13,743,698
Less estimated income	<u>0</u>	<u>2,225,000</u>	<u>2,225,000</u>
Total general fund	\$7,783,474	\$3,735,224	\$11,518,698
Full-time equivalent positions	43.42	0.00	43.42

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$125,036,783	\$11,557,009	\$136,593,792
Capital assets	<u>2,300,545</u>	<u>45,158,167</u>	<u>47,458,712</u>
Total all funds	\$127,337,328	\$56,715,176	\$183,052,504
Less estimated income	<u>0</u>	<u>30,450,000</u>	<u>30,450,000</u>
Total general fund	\$127,337,328	\$26,265,176	\$153,602,504
Full-time equivalent positions	651.91	0.00	651.91

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$108,367,622	\$10,567,076	\$118,934,698
Capital assets	<u>1,692,225</u>	<u>37,412,702</u>	<u>39,104,927</u>
Total all funds	\$110,059,847	\$47,979,778	\$158,039,625
Less estimated income	<u>0</u>	<u>36,100,000</u>	<u>36,100,000</u>
Total general fund	\$110,059,847	\$11,879,778	\$121,939,625
Full-time equivalent positions	584.88	0.00	584.88

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$31,607,155	\$2,006,991	\$33,614,146
Capital assets	<u>753,332</u>	<u>21,317,713</u>	<u>22,071,045</u>
Total all funds	\$32,360,487	\$23,324,704	\$55,685,191
Less estimated income	<u>0</u>	<u>10,700,000</u>	<u>10,700,000</u>
Total general fund	\$32,360,487	\$12,624,704	\$44,985,191
Full-time equivalent positions	164.87	0.00	164.87

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$20,123,737	\$2,682,639	\$22,806,376
Capital assets	<u>383,690</u>	<u>25,388</u>	<u>409,078</u>
Total all funds	\$20,507,427	\$2,708,027	\$23,215,454
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$20,507,427	\$2,708,027	\$23,215,454
Full-time equivalent positions	92.96	0.00	92.96

## Subdivision 9.

## MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$11,629,616	\$1,010,207	\$12,639,823
Capital assets	<u>208,991</u>	<u>234,514</u>	<u>443,505</u>
Total all funds	\$11,838,607	\$1,244,721	\$13,083,328
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$11,838,607	\$1,244,721	\$13,083,328
Full-time equivalent positions	58.72	0.00	58.72

## Subdivision 10.

## MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,623,707	\$2,647,646	\$37,271,353
Capital assets	<u>596,870</u>	<u>21,187,305</u>	<u>21,784,175</u>
Total all funds	\$35,220,577	\$23,834,951	\$59,055,528
Less estimated income	<u>0</u>	<u>16,034,555</u>	<u>16,034,555</u>
Total general fund	\$35,220,577	\$7,800,396	\$43,020,973
Full-time equivalent positions	187.83	0.00	187.83

## Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$16,368,001	\$1,037,737	\$17,405,738
Capital assets	<u>258,416</u>	<u>11,513,319</u>	<u>11,771,735</u>
Total all funds	\$16,626,417	\$12,551,056	\$29,177,473
Less estimated income	<u>0</u>	<u>1,015,000</u>	<u>1,015,000</u>
Total general fund	\$16,626,417	\$11,536,056	\$28,162,473

Full-time equivalent positions	90.37	0.00	90.37
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Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$5,862,372	\$378,063	\$6,240,435
Capital assets	<u>109,725</u>	<u>705,782</u>	<u>815,507</u>
Total all funds	\$5,972,097	\$1,083,845	\$7,055,942
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$5,972,097	\$1,083,845	\$7,055,942
Full-time equivalent positions	34.81	0.00	34.81

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH  
SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	<u>\$40,890,401</u>	<u>\$5,892,620</u>	<u>\$46,783,021</u>
Total all funds	\$40,890,401	\$5,892,620	\$46,783,021
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$40,890,401	\$5,892,620	\$46,783,021
Full-time equivalent positions	137.43	0.00	137.43

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$4,471,040	\$641,127	\$5,112,167
Capital assets	<u>36,638</u>	<u>67,153</u>	<u>103,791</u>
Total all funds	\$4,507,678	\$708,280	\$5,215,958
Less estimated income	<u>997,486</u>	<u>6,000</u>	<u>1,003,486</u>
Total general fund	\$3,510,192	\$702,280	\$4,212,472
Full-time equivalent positions	26.00	0.00	26.00

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$539,059,338	\$215,394,215	\$754,453,553
Grand total special funds	<u>5,746,444</u>	<u>103,071,315</u>	<u>108,817,759</u>

Grand total general fund	\$533,312,894	\$112,322,900	\$645,635,794"
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Page 7, replace line 12 with:

"Dickinson state university operating funds	350,000	900,000
Mayville state university drainage study	0	55,000
UND school of medicine space utilization study	0	100,000"

Page 7, replace lines 17 through 21 with:

"Capital projects - General fund	39,008,248	47,136,000
Capital projects - Other funds	166,958,000	105,065,555
Capital projects - Permanent oil tax trust fund	10,400,000	0
Special assessments payments	0	819,357"

Page 7, replace lines 23 through 25 with:

"Total all funds	\$257,001,168	\$154,325,912
Total other funds	<u>197,017,920</u>	<u>105,065,555</u>
Total general fund	\$59,983,248	\$49,260,357"

Page 7, remove lines 30 and 31

Page 8, replace lines 1 through 4 with:

**"SECTION 3. TRANSFER - PERMANENT OIL TAX TRUST FUND - 2009-11 BIENNIUM.** The office of management and budget shall transfer any unexpended funds appropriated from the permanent oil tax trust fund in chapter 31 of the 2009 Session Laws to the appropriate higher education institution's special fund at the end of the biennium beginning July 1, 2009, and ending June 30, 2011. For the purposes of this section, "end of the biennium" means thirty days after the close of the biennial period but prior to the cancellation of unexpended appropriations under section 54-44.1-11.

**SECTION 4. BORROWING AUTHORITY - WILLISTON STATE COLLEGE - WORKFORCE TRAINING BUILDING PROJECT.** Williston state college may borrow the sum of \$1,725,000, or so much of the sum as may be necessary, from the Bank of North Dakota for the workforce training building project for the period beginning with the effective date of this Act and ending June 30, 2013."

Page 8, remove lines 5 through 9

Page 8, line 10, replace "\$12,254,769" with "\$12,204,769"

Page 8, after line 12, insert:

**"SECTION 6. EQUITY AND STUDENT AFFORDABILITY FUNDING POOL TRANSFERS.** The equity and student affordability line item in subdivision 1 of section 1 of this Act includes the sum of \$15,240,565 which must be transferred by the state board of higher education to institutions under its control based on existing formulas for equity and student affordability distributions.

**SECTION 7. NORTH DAKOTA UNIVERSITY SYSTEM AND UNIVERSITY OF NORTH DAKOTA JOINT INFORMATION TECHNOLOGY BUILDING PROJECT - BUDGET SECTION REPORT.** The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$20,500,000 for the North Dakota university system and university of North Dakota joint information technology building project. The state board of higher education may spend additional funds on the project of up

to \$5,000,000 that are made available from the university of North Dakota, North Dakota state university, and North Dakota university system 2011-13 biennium information technology services funding resulting from one-time savings or efficiencies. The North Dakota university system shall provide a report to the budget section of the legislative management regarding any funds expended pursuant to this section.

**SECTION 8. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET SECTION REPORT.** North Dakota state university may use unspent funding from the \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the biennium beginning July 1, 2011, and ending June 30, 2013. North Dakota state university shall report to the budget section regarding the status of the Minard hall project and may request increased spending authorization from the budget section for the project."

Page 10, replace line 4 with:

"Williston state college workforce training center                      1,725,000"

Page 10, replace line 10 with:

"Total special funds            \$40,225,000

**SECTION 16. AMENDMENT.** Section 15-10-08 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-08. Compensation of board members - Expenses - Legislative appropriations.**

Each member of the state board of higher education, except the student member, is entitled to receive as compensation one hundred forty-eight dollars per day for each calendar day actually spent devoted to the duties of office, and necessary expenses in the same manner and amounts as other state officials for attending meetings and performing other functions of office. The legislative assembly shall provide adequate funds to carry out the functions and duties of the board.

**SECTION 17. AMENDMENT.** Section 15-70-04 of the North Dakota Century Code is amended and reenacted as follows:

**15-70-04. Submission of grant application - Distribution of grants.**

1. In order to qualify for a grant under this chapter, ~~an institution~~ a tribally controlled community college shall submit an application at the time and in the manner required by the state board of higher education. The application must ~~document~~:
  - a. Include the name and address of each student who qualifies for financial assistance under this chapter; and
  - b. Document the enrollment status of each student ~~on whose account~~ who qualifies for financial assistance under this chapter is sought.
2. If an application is approved, the state board of higher education shall distribute to ~~each~~ the tribally controlled community college, during each year of the biennium, ~~five thousand three hundred four dollars per full-time equivalent nonbeneficiary student~~ an amount equivalent to the most recent per student payment provided in accordance with the Tribally Controlled Colleges and Universities Assistance Act of 1978 [25 U.S.C. 20] for each nonbeneficiary student who is a resident of the state. If the amount appropriated is insufficient to meet the requirements of this section, the board shall ~~distribute a prorated amount per full-time equivalent nonbeneficiary student~~ prorate the amount to be distributed.



3. If after meeting the requirements of this section any amount remains available for distribution at the conclusion of each year of the biennium, the state board of higher education shall provide prorated distribution based on criteria set forth in this section.
4. At the time and in the manner determined by the state board of higher education, each tribally controlled community college receiving assistance under this section shall file a report indicating:
  - a. The graduation rate of nonbeneficiary students; and
  - b. The ratio between the amount of funding received by the tribally controlled community college under this section and the college's annual budget.

**SECTION 18. AMENDMENT.** Subsection 3 of section 43-12.2-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A nurse practitioner, physician assistant, or certified nurse midwife who receives loan repayment under this chapter:
  - a. Must be a graduate of an accredited program, located in the United States or Canada, for the preparation of nurse practitioners, physician assistants, or certified nurse midwives;
  - b. ~~Must be enrolled in or have graduated from an accredited training program for nurse practitioners, physician assistants, or certified nurse midwives prior to or within one year after submitting an application to participate in the loan repayment program and may not have practiced full time as a nurse practitioner, physician assistant, or certified nurse midwife in this state for more than one year before the date of the application;~~
  - e. Must be licensed or registered to practice as a nurse practitioner, physician assistant, or certified nurse midwife in this state;
  - ~~d.c.~~ Shall submit an application to participate in the loan repayment program; and
  - ~~e.d.~~ Must have entered into an agreement with a selected community to provide full-time services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

**SECTION 19. AMENDMENT.** Subsection 3 of section 43-17.2-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A physician who receives loan repayment under this chapter:
  - a. Must be a graduate of an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board;
  - b. ~~Must not have practiced full time medicine in this state for more than one year before the date of the application;~~
  - e. Must have a full and unrestricted license to practice medicine in this state;
  - ~~d.c.~~ Shall submit an application to participate in the loan repayment program; and

e.d. Must have entered into an agreement with a selected community to provide full-time medical services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

**SECTION 20. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM BUDGET REQUEST.** It is the intent of the sixty-second legislative assembly that the state board of higher education develop a budget request for the North Dakota university system for the 2013-15 biennium that does not include a funding component for student affordability to limit student tuition increases or a funding component for equity distributions to institutions based on a peer institution comparison. The budget request may be based on a funding method that incorporates a tiered system of funding distributions based on institution type or other funding method that addresses the needs of the North Dakota university system.

**SECTION 21. LEGISLATIVE INTENT - ENROLLMENT REPORTING.** It is the intent of the sixty-second legislative assembly that North Dakota university system enrollment reports detailing fall semester enrollment information only include data for full-time students that are physically present on campus.

**SECTION 22. LEGISLATIVE MANAGEMENT STUDY - PROGRAM TUITION RATES - WORKFORCE NEEDS.** During the 2011-12 interim, the legislative management shall consider studying programs offered by North Dakota university system institutions that address the workforce needs of the state, including a review of the use of graduated tuition rates to increase enrollment in programs that address workforce needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 23. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES.** During the 2011-12 interim, the legislative management chairman shall consider appointing a separate committee to study the ability of the university of North Dakota school of medicine and health sciences to meet the health care needs of the state. The study, if conducted, must include a review of the health care needs of the state, options to address the health care needs of the state, and the feasibility and desirability of expanding the school of medicine and health sciences to meet the health care needs of the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Page 10, line 12, remove "3,"

Page 10, line 12, remove the second comma

Page 10, line 12, replace "12" with "15"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1003 - Summary of Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Legislative Council						
Total all funds	\$0	\$0	\$0	\$0	\$100,000	(\$100,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$0	\$0	\$100,000	(\$100,000)
University System Office						
Total all funds	\$103,926,168	\$94,711,963	\$14,522,565	\$109,234,528	\$95,511,963	\$13,722,565
Less estimated income	3,754,718	2,754,718	0	2,754,718	3,754,718	(1,000,000)
General fund	\$100,171,450	\$91,957,245	\$14,522,565	\$106,479,810	\$91,757,245	\$14,722,565
Bismarck State College						

Total all funds	\$38,053,301	\$36,102,760	\$4,367,933	\$40,470,693	\$41,746,234	(\$1,275,541)
Less estimated income	7,500,000	7,500,000	1,035,000	8,535,000	8,835,000	(300,000)
General fund	\$30,553,301	\$28,602,760	\$3,332,933	\$31,935,693	\$32,911,234	(\$975,541)
Lake Region State College						
Total all funds	\$9,314,859	\$8,895,180	\$745,430	\$9,640,610	\$9,314,859	\$325,751
Less estimated income	0	0	0	0	0	0
General fund	\$9,314,859	\$8,895,180	\$745,430	\$9,640,610	\$9,314,859	\$325,751
Williston State College						
Total all funds	\$11,920,096	\$13,764,268	(\$20,570)	\$13,743,698	\$14,145,096	(\$401,398)
Less estimated income	2,820,000	4,820,000	(2,595,000)	2,225,000	4,820,000	(2,595,000)
General fund	\$9,100,096	\$8,944,268	\$2,574,430	\$11,518,698	\$9,325,096	\$2,193,602
University of North Dakota						
Total all funds	\$178,573,093	\$177,102,504	\$6,950,000	\$184,052,504	\$191,189,226	(\$7,136,722)
Less estimated income	21,700,000	21,700,000	8,750,000	30,450,000	31,650,000	(1,200,000)
General fund	\$156,873,093	\$155,402,504	(\$1,800,000)	\$153,602,504	\$159,539,226	(\$5,936,722)
UND Medical Center						
Total all funds	\$46,653,406	\$45,490,630	\$1,292,391	\$46,783,021	\$46,045,797	\$737,224
Less estimated income	0	0	0	0	0	0
General fund	\$46,653,406	\$45,490,630	\$1,292,391	\$46,783,021	\$46,045,797	\$737,224
North Dakota State University						
Total all funds	\$166,286,316	\$157,432,016	\$607,609	\$158,039,625	\$164,596,908	(\$6,557,283)
Less estimated income	36,100,000	36,100,000	0	36,100,000	36,100,000	0
General fund	\$130,186,316	\$121,332,016	\$607,609	\$121,939,625	\$128,496,908	(\$6,557,283)
State College of Science						
Total all funds	\$54,203,080	\$63,865,998	(\$8,180,807)	\$55,685,191	\$56,455,895	(\$770,704)
Less estimated income	10,500,000	10,500,000	200,000	10,700,000	10,500,000	200,000
General fund	\$43,703,080	\$53,365,998	(\$8,380,807)	\$44,985,191	\$45,955,895	(\$970,704)
Dickinson State University						
Total all funds	\$31,757,019	\$22,186,024	\$1,029,430	\$23,215,454	\$23,657,019	(\$441,565)
Less estimated income	0	0	0	0	0	0
General fund	\$31,757,019	\$22,186,024	\$1,029,430	\$23,215,454	\$23,657,019	(\$441,565)
Mayville State University						
Total all funds	\$13,685,384	\$12,918,898	\$164,430	\$13,083,328	\$13,377,404	(\$294,076)
Less estimated income	0	0	0	0	0	0
General fund	\$13,685,384	\$12,918,898	\$164,430	\$13,083,328	\$13,377,404	(\$294,076)
Minot State University						
Total all funds	\$43,860,736	\$42,990,973	\$16,064,555	\$59,055,528	\$59,695,291	(\$639,763)
Less estimated income	5,050,000	5,050,000	10,984,555	16,034,555	15,884,555	150,000
General fund	\$38,810,736	\$37,940,973	\$5,080,000	\$43,020,973	\$43,810,736	(\$789,763)
Valley City State University						
Total all funds	\$27,259,465	\$18,487,763	\$10,689,710	\$29,177,473	\$29,553,314	(\$375,841)
Less estimated income	815,000	815,000	200,000	1,015,000	815,000	200,000
General fund	\$26,444,465	\$17,672,763	\$10,489,710	\$28,162,473	\$28,738,314	(\$575,841)
Dakota College at Bottineau						
Total all funds	\$6,748,729	\$6,476,512	\$579,430	\$7,055,942	\$7,448,729	(\$392,787)
Less estimated income	0	0	0	0	0	0
General fund	\$6,748,729	\$6,476,512	\$579,430	\$7,055,942	\$7,448,729	(\$392,787)
Forest Service						
Total all funds	\$5,209,958	\$5,209,958	\$6,000	\$5,215,958	\$5,209,958	\$6,000
Less estimated income	997,486	997,486	6,000	1,003,486	997,486	6,000
General fund	\$4,212,472	\$4,212,472	\$0	\$4,212,472	\$4,212,472	\$0
Bill total						
Total all funds	\$737,451,610	\$705,635,447	\$48,818,106	\$754,453,553	\$758,047,693	(\$3,594,140)
Less estimated income	89,237,204	90,237,204	18,580,555	108,817,759	113,356,759	(4,539,000)
General fund	\$648,214,406	\$615,398,243	\$30,237,551	\$645,635,794	\$644,690,934	\$944,860

### House Bill No. 1003 - North Dakota University System - General Fund Summary

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Legislative Council					\$100,000	(\$100,000)
University System Office	100,171,450	91,957,245	14,522,565	106,479,810	91,757,245	14,722,565
Bismarck State College	30,553,301	28,602,760	3,332,933	31,935,693	32,911,234	(975,541)
Lake Region State College	9,314,859	8,895,180	745,430	9,640,610	9,314,859	325,751
Williston State College	9,100,096	8,944,268	2,574,430	11,518,698	9,325,096	2,193,602
University of North Dakota	156,873,093	155,402,504	(1,800,000)	153,602,504	159,539,226	(5,936,722)
UND Medical Center	46,653,406	45,490,630	1,292,391	46,783,021	46,045,797	737,224
North Dakota State University	130,186,316	121,332,016	607,609	121,939,625	128,496,908	(6,557,283)
State College of Science	43,703,080	53,365,998	(8,380,807)	44,985,191	45,955,895	(970,704)

Dickinson State University	31,757,019	22,186,024	1,029,430	23,215,454	23,657,019	(441,565)
Mayville State University	13,685,384	12,918,898	164,430	13,083,328	13,377,404	(294,076)
Minot State University	38,810,736	37,940,973	5,080,000	43,020,973	43,810,736	(789,763)
Valley City State University	26,444,465	17,672,763	10,489,710	28,162,473	28,738,314	(575,841)
Dakota College at Bottineau	6,748,729	6,476,512	579,430	7,055,942	7,448,729	(392,787)
Forest Service	4,212,472	4,212,472		4,212,472	4,212,472	
<b>Total general fund</b>	<b>\$648,214,406</b>	<b>\$615,398,243</b>	<b>\$30,237,551</b>	<b>\$645,635,794</b>	<b>\$644,690,934</b>	<b>\$944,860</b>

**Detail of Conference Committee changes to the General Fund**

	<b>Adds Funding for Equity and Student Affordability Funding Pool<sup>1</sup></b>	<b>Reduces Funding for University System Office Operations<sup>2</sup></b>	<b>Removes Funding for Expanding Program Fund<sup>3</sup></b>	<b>Reduces Funding for Capital Bond Payments<sup>4</sup></b>	<b>Restores Funding for Tribal College Assistance Grants<sup>5</sup></b>	<b>Removes Funding for Student Mental Health Services<sup>6</sup></b>
Legislative Council						
University System Office	15,240,565	(500,000)	(1,000,000)	(50,000)	1,000,000	(168,000)
Bismarck State College						
Lake Region State College						(120,570)
Williston State College						(120,570)
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						(120,570)
Mayville State University						(140,570)
Minot State University						(20,000)
Valley City State University						(60,290)
Dakota College at Bottineau						(120,570)
Forest Service						
<b>Total general fund</b>	<b>\$15,240,565</b>	<b>(\$500,000)</b>	<b>(\$1,000,000)</b>	<b>(\$50,000)</b>	<b>\$1,000,000</b>	<b>(\$871,140)</b>

	<b>Restores STEM Teacher Education Enhancement Funding<sup>7</sup></b>	<b>Adjusts Funding for Special Assessment Payments<sup>8</sup></b>	<b>Adjusts Funding for Master's Degree in Public Health Program<sup>9</sup></b>	<b>Adds Funding to Increase Medical School Enrollment<sup>10</sup></b>	<b>Adds Funding for Space Utilization Study of School of Medicine<sup>11</sup></b>	<b>Adds One-Time Funding for Dickinson State University Operations<sup>12</sup></b>
Legislative Council						
University System Office						
Bismarck State College		32,933				
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center			(607,609)	1,800,000	100,000	
North Dakota State University			607,609			
State College of Science		(807)				
Dickinson State University	250,000					900,000
Mayville State University	250,000					
Minot State University	250,000					
Valley City State University	250,000					
Dakota College at Bottineau						
Forest Service						
<b>Total general fund</b>	<b>\$1,000,000</b>	<b>\$32,126</b>	<b>\$0</b>	<b>\$1,800,000</b>	<b>\$100,000</b>	<b>\$900,000</b>

	<b>Adds Funding for Campus Security<sup>13</sup></b>	<b>Adjusts Funding Source for Williston State College Capital Projects<sup>14</sup></b>	<b>Adds Funding for Campus Drainage Study<sup>15</sup></b>	<b>Adjusts Funding for Capital Projects<sup>16</sup></b>	<b>Total General Fund Changes</b>
Legislative Council					
University System Office					14,522,565
Bismarck State College				3,300,000	3,332,933
Lake Region State College				866,000	745,430
Williston State College	100,000	2,320,000		275,000	2,574,430
University of North Dakota				(1,800,000)	(1,800,000)
UND Medical Center					1,292,391
North Dakota State University					607,609
State College of Science				(8,380,000)	(8,380,807)
Dickinson State University					1,029,430
Mayville State University			55,000		164,430
Minot State University				4,850,000	5,080,000
Valley City State University				10,300,000	10,489,710
Dakota College at Bottineau				700,000	579,430
Forest Service					
<b>Total general fund</b>	<b>\$100,000</b>	<b>\$2,320,000</b>	<b>\$55,000</b>	<b>\$10,111,000</b>	<b>\$30,237,551</b>

House Bill No. 1003 - North Dakota University System - Other Funds Summary

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Legislative Council						
University System Office	3,754,718	2,754,718		2,754,718	3,754,718	(1,000,000)
Bismarck State College	7,500,000	7,500,000	1,035,000	8,535,000	8,835,000	(300,000)
Lake Region State College						
Williston State College	2,820,000	4,820,000	(2,595,000)	2,225,000	4,820,000	(2,595,000)
University of North Dakota	21,700,000	21,700,000	8,750,000	30,450,000	31,650,000	(1,200,000)
UND Medical Center						
North Dakota State University	36,100,000	36,100,000		36,100,000	36,100,000	
State College of Science	10,500,000	10,500,000	200,000	10,700,000	10,500,000	200,000
Dickinson State University						
Mayville State University						
Minot State University	5,050,000	5,050,000	10,984,555	16,034,555	15,884,555	150,000
Valley City State University	815,000	815,000	200,000	1,015,000	815,000	200,000
Dakota College at Bottineau						
Forest Service	997,486	997,486	6,000	1,003,486	997,486	6,000
<b>Total other funds</b>	<b>\$89,237,204</b>	<b>\$90,237,204</b>	<b>\$18,580,555</b>	<b>\$108,817,759</b>	<b>\$113,356,759</b>	<b>(\$4,539,000)</b>

Detail of Conference Committee changes to Other Funds

	Adds Funding for Equity and Student Affordability Funding Pool <sup>1</sup>	Reduces Funding for University System Office Operations <sup>2</sup>	Removes Funding for Expanding Program Fund <sup>3</sup>	Reduces Funding for Capital Bond Payments <sup>4</sup>	Restores Funding for Tribal College Assistance Grants <sup>5</sup>	Removes Funding for Student Mental Health Services <sup>6</sup>
Legislative Council						
University System Office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Dakota College at Bottineau						
Forest Service						
<b>Total other funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	Restores STEM Teacher Education Enhancement Funding <sup>7</sup>	Adjusts Funding for Special Assessment Payments <sup>8</sup>	Adjusts Funding for Master's Degree in Public Health Program <sup>9</sup>	Adds Funding to Increase Medical School Enrollment <sup>10</sup>	Adds Funding for Space Utilization Study of School of Medicine <sup>11</sup>	Adds One-Time Funding for Dickinson State University Operations <sup>12</sup>
Legislative Council						
University System Office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Dakota College at Bottineau						
Forest Service						
<b>Total other funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	Adds Funding for Campus Security <sup>13</sup>	Adjusts Funding Source for Williston State College Capital Projects <sup>14</sup>	Adds Funding for Campus Drainage Study <sup>15</sup>	Adjusts Funding for Capital Projects <sup>16</sup>	Total Other Funds Changes
Legislative Council					
University System Office					
Bismarck State College				1,035,000	1,035,000
Lake Region State College					
Williston State College		(2,320,000)		(275,000)	(2,595,000)
University of North Dakota				8,750,000	8,750,000

UND Medical Center				
North Dakota State University				
State College of Science		200,000		200,000
Dickinson State University				
Mayville State University				
Minot State University			10,984,555	10,984,555
Valley City State University			200,000	200,000
Dakota College at Bottineau				
Forest Service			6,000	6,000
<b>Total other funds</b>	<b>\$0</b>	<b>(\$2,320,000)</b>	<b>\$0</b>	<b>\$20,900,555</b>
				<b>\$18,580,555</b>

**House Bill No. 1003 - North Dakota University System - All Funds Summary**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Legislative Council					\$100,000	(\$100,000)
University System Office	103,926,168	94,711,963	14,522,565	109,234,528	95,511,963	13,722,565
Bismarck State College	38,053,301	36,102,760	4,367,933	40,470,693	41,746,234	(1,275,541)
Lake Region State College	9,314,859	8,895,180	745,430	9,640,610	9,314,859	325,751
Williston State College	11,920,096	13,764,268	(20,570)	13,743,698	14,145,096	(401,398)
University of North Dakota	178,573,093	177,102,504	6,950,000	184,052,504	191,189,226	(7,136,722)
UND Medical Center	46,653,406	45,490,630	1,292,391	46,783,021	46,045,797	737,224
North Dakota State University	166,286,316	157,432,016	607,609	158,039,625	164,596,908	(6,557,283)
State College of Science	54,203,080	63,865,998	(8,180,807)	55,685,191	56,455,895	(770,704)
Dickinson State University	31,757,019	22,186,024	1,029,430	23,215,454	23,657,019	(441,565)
Mayville State University	13,685,384	12,918,898	164,430	13,083,328	13,377,404	(294,076)
Minot State University	43,860,736	42,990,973	16,064,555	59,055,528	59,695,291	(639,763)
Valley City State University	27,259,465	18,487,763	10,689,710	29,177,473	29,553,314	(375,841)
Dakota College at Bottineau	6,748,729	6,476,512	579,430	7,055,942	7,448,729	(392,787)
Forest Service	5,209,958	5,209,958	6,000	5,215,958	5,209,958	6,000
<b>Total all funds</b>	<b>\$737,451,610</b>	<b>\$705,635,447</b>	<b>\$48,818,106</b>	<b>\$754,453,553</b>	<b>\$758,047,693</b>	<b>(\$3,594,140)</b>
FTE	2245.51	2245.51	0.00	2245.51	2245.51	0.00

**Detail of Conference Committee changes to All Funds**

	Adds Funding for Equity and Student Affordability Funding Pool <sup>1</sup>	Reduces Funding for University System Office Operations <sup>2</sup>	Removes Funding for Expanding Program Fund <sup>3</sup>	Reduces Funding for Capital Bond Payments <sup>4</sup>	Restores Funding for Tribal College Assistance Grants <sup>5</sup>	Removes Funding for Student Mental Health Services <sup>6</sup>
Legislative Council						
University System Office	15,240,565	(500,000)	(1,000,000)	(50,000)	1,000,000	(168,000)
Bismarck State College						(120,570)
Lake Region State College						(120,570)
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						(120,570)
Mayville State University						(140,570)
Minot State University						(20,000)
Valley City State University						(60,290)
Dakota College at Bottineau						(120,570)
Forest Service						
<b>Total all funds</b>	<b>\$15,240,565</b>	<b>(\$500,000)</b>	<b>(\$1,000,000)</b>	<b>(\$50,000)</b>	<b>\$1,000,000</b>	<b>(\$871,140)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Restores STEM Teacher Education Enhancement Funding <sup>7</sup>	Adjusts Funding for Special Assessment Payments <sup>8</sup>	Adjusts Funding for Master's Degree in Public Health Program <sup>9</sup>	Adds Funding to Increase Medical School Enrollment <sup>10</sup>	Adds Funding for Space Utilization Study of School of Medicine <sup>11</sup>	Adds One-Time Funding for Dickinson State University Operations <sup>12</sup>
Legislative Council						
University System Office						
Bismarck State College		32,933				
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center			(607,609)	1,800,000	100,000	
North Dakota State University			607,609			
State College of Science		(807)				
Dickinson State University	250,000					900,000
Mayville State University	250,000					
Minot State University	250,000					
Valley City State University	250,000					

Dakota College at Bottineau Forest Service						
Total all funds	\$1,000,000	\$32,126	\$0	\$1,800,000	\$100,000	\$900,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
		<b>Adjusts Funding Source for Williston State College Capital Projects<sup>14</sup></b>	<b>Adds Funding for Campus Drainage Study<sup>15</sup></b>	<b>Adjusts Funding for Capital Projects<sup>16</sup></b>	<b>Total All Funds Changes</b>	
Legislative Council					14,522,565	
University System Office					4,367,933	
Bismarck State College				4,335,000	745,430	
Lake Region State College				866,000	(20,570)	
Williston State College	100,000				6,950,000	
University of North Dakota				6,950,000	1,292,391	
UND Medical Center					607,609	
North Dakota State University					(8,180,807)	
State College of Science				(8,180,000)	1,029,430	
Dickinson State University					164,430	
Mayville State University			55,000		16,064,555	
Minot State University				15,834,555	10,689,710	
Valley City State University				10,500,000	579,430	
Dakota College at Bottineau				700,000	6,000	
Forest Service				6,000		
<b>Total all funds</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$55,000</b>	<b>\$31,011,555</b>	<b>\$48,818,106</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

<sup>1</sup> Funding of \$15,240,565 from the general fund is added for an equity and student affordability funding pool. A section is also added to provide that the funding be distributed to campuses based on existing funding distribution formulas.

<sup>2</sup> Operations funding from the general fund for the University System office is reduced by \$500,000. The Senate reduced operations funding for the University System office by \$200,000.

<sup>3</sup> A pool of funding for expanding academic and technical programs is removed.

<sup>4</sup> Funding for capital bond payments is reduced by \$50,000.

<sup>5</sup> Funding removed by the House for grants to tribally controlled community colleges is restored. The executive recommendation and Senate versions provided funding from the permanent oil tax trust fund and this amendment provides funding from the general fund.

<sup>6</sup> Ongoing funding of \$715,140 and one-time funding of \$156,000 included in the executive recommendation for student mental health services is removed.

<sup>7</sup> Funding removed by the House for STEM teacher education enhancement is restored for nonresearch institutions. The Senate also restored this funding.

<sup>8</sup> Funding for 2011-13 special assessment payments is adjusted to reflect updated calculations for Bismarck State College and the State College of Science. The Senate version also included the special assessment payment adjustments.

<sup>9</sup> Funding is transferred from the University of North Dakota School of Medicine and Health Sciences to North Dakota State University for the new joint master's degree in public health program to be administered by both institutions. The executive recommendation provided all funding for the program to the University of North Dakota School of Medicine and Health Sciences. The Senate also provided for the transfer of funding for the program.

<sup>10</sup> Funding is added to allow the University of North Dakota School of Medicine and Health Sciences to increase program enrollment and to increase the number of available student medical residency positions available. The Senate had authorized the State Board of Higher

Education to transfer \$1.8 million from the joint North Dakota University System/University of North Dakota information technology building project to the School of Medicine and Health Sciences to increase program enrollment.

<sup>11</sup> One-time funding of \$100,000 is added for a space utilization study of the University of North Dakota School of Medicine and Health Sciences.

<sup>12</sup> One-time funding from the general fund of \$750,000 is added for Dickinson State University for the digitization of documents related to the Theodore Roosevelt Center and \$150,000 is added for programs that have experienced a loss of funding due to decreased revenues from oil royalties. The Senate provided \$700,000 from the general fund for programs at Dickinson State University that have been affected by decreased revenue from oil royalties.

<sup>13</sup> Funding of \$100,000 is added for campus security at Williston State College.

<sup>14</sup> The funding source for campus improvements (\$1,000,000) and additional funding for the science center project (\$1,320,000) at Williston State College is changed from the permanent oil tax trust fund to the general fund as a result of the provisions of House Bill No. 1451. The executive recommendation, House version, and Senate version provided funding for these projects from the permanent oil tax trust fund.

<sup>15</sup> One-time funding of \$55,000 from the general fund is added for a campus drainage study at Mayville State University.

<sup>16</sup> Funding is adjusted for the following capital projects:

- **Bismarck State College National Energy Center of Excellence** - Funding of \$3,300,000 from the general fund and \$1,035,000 from other funds is added for the National Energy Center of Excellence fourth floor project. The House provided funding of \$4,335,000 for the project from unspent 2009-11 general fund appropriations relating to the Great Plains Applied Energy Research Center project. The Senate provided funding of \$3 million from the general fund and \$1,335,000 from other funds for the project.
- **Lake Region State College roof replacement projects** - Funding of \$866,000 from the general fund is added for roof replacement projects at Lake Region State College.
- **Williston State College workforce training building** - Funding of \$500,000 from the general fund and \$1,725,000 from other funds is provided for the Williston State College workforce training building project. The House provided funding of \$225,000 from the general fund and \$2 million of other funds for the project which was not changed by the Senate. A section is also added to allow Williston State College to borrow up to \$1,725,000 from the Bank of North Dakota for the project in addition to revenue bonding authorization for the project which was added by the House.
- **North Dakota University System/University of North Dakota joint information technology building project** - General fund support for the project is reduced by \$1.8 million and special fund authority of \$8 million is added to provide total funding of \$20.5 million, of which \$12.5 million is from the general fund. The executive recommendation included \$11.2 million of funding from the general fund for the project, and the House increased the general fund amount to \$14.3 million. The Senate added special fund authority of \$7.7 million for the project and provided authorization for the State Board of Higher Education to transfer \$1.8 million of funding from the general fund for the project to the School of Medicine and Health Sciences to increase the enrollment of the school. A section is also added to authorize an additional \$5 million for the project from information technology savings.
- **University of North Dakota flight operations center** - Special fund authority of \$750,000 is provided for the University of North Dakota flight operations center renovation project. The Senate provided special fund authority of \$1.5 million for the project.
- **State College of Science Old Main project** - Funding from the general fund of



\$8,180,000 for the State College of Science Old Main project is removed. The Senate also removed this funding.

- **State College of Science Bisek Hall project** - Funding from the general fund for the project is reduced by \$200,000 to provide total general fund support of \$10,300,000. Special fund authority of \$200,000 is also added for the project. The House and Senate provided \$10,500,000 from the general fund for the project.
- **Minot State University geothermal project** - Funding of \$4,850,000 from the general fund and \$8,884,555 from other funds including federal funds, private funds, and energy performance contracts is added for the geothermal energy project. The Senate also added this funding.
- **Minot State University food service project** - Special fund authority is added for a food service remodeling project. The Senate also provided the special fund authority for this project.
- **Minot State University Physical Plant Building** - Special fund authorization is added for the physical plant building project from Bank of North Dakota loan proceeds (\$600,000). The physical plant building project is also estimated to use \$650,000 of unspent 2009-11 biennium general fund appropriations. The Senate also authorized this funding.
- **Valley City State University Rhoades Science Center** - Funding of \$10.3 million from the general fund and \$200,000 of special funds is provided for the Rhoades Science Center project. The executive recommendation provided funding of \$7,971,000 from the general fund which was removed by the House. The Senate provided \$10.5 million from the general fund for the project.
- **Dakota College at Bottineau campus improvements** - Funding of \$700,000 from the general fund is added for campus improvements. The Senate also added this funding.
- **Forest Service Towner State Nursery greenhouse project** - Additional special fund authorization of \$6,000 is added for the Towner State Nursery greenhouse project that was originally authorized by the 2009 Legislative Assembly. The additional spending authorization is related to funding received from an insurance claim that resulted from wind damage to the project.

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#### House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Provides North Dakota State University with authority to use 2007-09 and 2009-11 biennium funding for the Minard Hall project in the 2011-13 biennium and requires Budget Section reports on the status of the project. The Senate also added this section.
- Adjusts Section 15 regarding the revenue bonding authorization of the Williston State College workforce training building project.
- Adds a section to amend Section 15-10-08 to increase the daily compensation of members of the State Board of Higher Education from \$100 per day to \$148 per day. The Senate also added this section.
- Adds two sections to amend Sections 43-12.2-03 and 43-17.2-03 relating to the eligibility requirements for the medical personnel loan repayment program and the physician loan repayment program. The Senate also added these sections.
- Adds a section to amend Section 15-70-04 relating to grants to tribally controlled community colleges for nonbeneficiary students. The Senate also added this section.
- Adds a section of legislative intent regarding the future budget requests of the University System.
- Adds a section of legislative intent regarding the North Dakota University System fall enrollment report.
- Provides for a Legislative Management study of the use of graduated tuition rates for programs that address workforce needs. The Senate also added this study section.
- Provides for a Legislative Management study of the University of North Dakota School of Medicine and Health Sciences. The Senate also added the study and

provided a \$100,000 appropriation from the general fund to the Legislative Council for expenses related to the study. The conference committee did not provide the funding for the Legislative Management study.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Christmann's motion.

**William R. Horton, Secretary**