State of
North Dakota
Office of the Governor

Doug Burgum
Governor

May 2, 2019

The Honorable Brent Sanford
President of the Senate
North Dakota Senate
State Capitol
Bismarck, ND 58505

Re: Senate Bill 2015

Dear President Sanford:

Pursuant to Article V, Section 9 of the North Dakota Constitution, I have vetoed Section 19, *Recognition of legacy fund earnings for budget purposes*, of Senate Bill 2015.

Section 19 circumvents constitutional requirements for Legacy Fund earnings and ignores all generally accepted accounting principles by failing to recognize the earnings in the biennium in which they are received. The people of North Dakota spoke clearly when they approved the Legacy Fund measure in 2010, instructing, as outlined in Article X, Section 26 of the North Dakota Constitution that the "state treasurer shall transfer earnings of the North Dakota legacy fund accruing … to the state general fund **at the end of each biennium**."

Section 19 manipulates the recognition of state revenues which artificially reduces the balance of the general fund by hundreds of millions of dollars. It misleads legislators tasked with voting on appropriation bills and taxpayers who deserve to know the true financial status of the state.

For the reasons stated above, Section 19 of Senate Bill 2015 is vetoed.

Sincerely,

Doug Burgum
Governor

Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019

SENATE BILL NO. 2015
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer; to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to the recognition of legacy fund earnings; to amend and reenact section 6-09-49, section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, section 54-06-30, and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, of the North Dakota Century Code, section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, relating to the infrastructure revolving loan fund, specialty area teacher qualifications, capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, state employee performance bonuses, the salary of the secretary of state, higher education line item transfer authority, a department of commerce nonresident nurse employment recruitment program; and a statewide plan for individuals in institutions for mental disease; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study; to provide for a report; to provide an exemption; to provide an effective date; and 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 office of management and budget, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$21,596,832	$306,984	$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency fund	600,000	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	621,400	1,950,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000
Litigation funding pool	0	3,500,000	3,500,000
State student internship program	0	250,000	250,000
Total all funds	$40,154,347	$10,198,020	$50,352,367
Less estimated income	9,434,087	7,702,428	17,136,515
Total general fund	$30,720,260	$2,495,592	$33,215,852
Full-time equivalent positions	117.00	(5.00)	112.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Surplus property building	$800,000	$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Capitol south entrance project	0	2,000,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	3,500,000
Assessments of state lands and facilities	0	500,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	50,000
Total all funds	$2,300,000	$8,690,000
Total special funds	1,800,000	8,390,000
Total general fund	$500,000	$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. FULL-TIME EQUIVALENT POSITION AUTHORIZATION - ATTORNEY GENERAL. The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of $764,400,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of $8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of $173,700,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall transfer the sum of $100,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and

ending June 30, 2021. The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04.

SECTION 10. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may only be used for the following grants and special items:

Boys and girls club work	$53,000
Unemployment insurance	$2,000,000
Capitol grounds planning commission	$25,000
Statewide memberships and related expenses	$625,064

SECTION 11. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes $4,220,000 of one-time funding from the capitol building fund. Of the $4,220,000, $2,000,000 in the capital assets line item is for a capitol building south entrance project, $1,900,000 in the capital assets line item is for extraordinary repairs, and $320,000 in the operating expenses line item is for special assessments associated with the capitol grounds. The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes.

SECTION 12. ESTIMATED INCOME - ONE-TIME FUNDING - RISK MANAGEMENT FUND. The capital assets line item and the estimated income line item in section 1 of this Act includes $170,000 of one-time funding from the risk management fund for an information technology project.

SECTION 13. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes $4,000,000 of one-time funding from the strategic investment and improvements fund. Of the $4,000,000, $500,000 in the operating expenses line item is for an assessment of state lands and facilities, and $3,500,000 in the litigation funding pool line item is for a litigation funding pool.

SECTION 14. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING FUNDS. The prairie public broadcasting line item and the general fund appropriation in section 1 of this Act includes $200,000 for a grant of up to $200,000 to prairie public broadcasting for essential equipment needs. The $200,000 may be awarded only to the extent prairie public broadcasting provides one dollar of matching funds from nonstate sources for each dollar provided by the office of management and budget.

SECTION 15. EXEMPTION - FISCAL MANAGEMENT. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 14 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 16. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of $120 per month and a maximum of $200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.

2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases

must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.

3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.

4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

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

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

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

2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:

   a. The Red River valley water supply project;

   b. New or replacement of existing water treatment plants;

   ~~b.~~c. New or replacement of existing wastewater treatment plants;

   ~~c.~~d. New or replacement of existing sewer lines and water lines; and

   ~~d.~~e. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.

3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.

4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:

   a. Is licensed to teach by the education standards and practices board;

   b. Is approved to teach in that area by the education standards and practices board; and

   c. Meets all requirements set forth in rule by the superintendent of public instruction.

2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.

3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.

4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:

   a. Has a permit issued by the board and has a high school diploma; ~~and~~

   b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or

      (2) Possesses a certificate, permit, or degree in the subject area to be taught; and

   c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district.

~~**SECTION 19.** A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:~~

~~**Recognition of legacy fund earnings for budget purposes.**~~

~~For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.~~

SECTION 20. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed ~~one hundred seventy-five thousand~~two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 21. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts - Continuing appropriation.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the

purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 22. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. ~~A~~Before July 1, 2019, a state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed.

SECTION 23. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations.

State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:

   a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;

   b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

   c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.

2. State employees are eligible to receive a bonus under this section only if:

   a. The employee has held a position in state government for at least one year before a bonus is paid;

   b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and

   c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.

3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than one thousand five hundred dollars in bonuses per fiscal year.

4. ~~Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty-five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty-five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management.~~ Each agency must fund the performance bonus program from within its agency budget for salaries and wages.

5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

SECTION 24. AMENDMENT. Section 54-09-05 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

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

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, ~~2019~~2020, and one hundred ten thousand five hundred eighty-two dollars thereafter.

SECTION 25. AMENDMENT. Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. During the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

SECTION 26. AMENDMENT. Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. ~~After other moneys in the statewide interoperable radio network fund, the transfer of $20,000,000 from the strategic investment and improvements fund, and the $80,000,000 line of credit have been used, the~~The industrial commission shall transfer the sum of $20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, $25,000,000 of the line of credit must be used.

SECTION 27. AMENDMENT. Section 1 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

~~**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, 2019, and ending June 30, 2021, as follows:~~

	~~Base Level~~	~~Adjustments or Enhancements~~	~~Appropriation~~
~~Salaries and wages~~	~~$12,995,788~~	~~$221,498~~	~~$13,217,286~~
~~Operating expenses~~	~~15,477,622~~	~~2,620,581~~	~~18,098,203~~
~~Grants~~	~~48,910,416~~	~~8,928,111~~	~~57,838,527~~
~~Discretionary funds~~	~~2,200,000~~	~~(50,000)~~	~~2,150,000~~
~~Agricultural products utilization commission~~	~~3,152,915~~	~~(3,152,915)~~	~~0~~
~~North Dakota trade office~~	~~2,000,000~~	~~(400,000)~~	~~1,600,000~~
~~Partner programs~~	~~1,939,845~~	~~(377,314)~~	~~1,562,531~~
~~Entrepreneurship grants and vouchers~~	~~1,950,000~~	~~998,467~~	~~2,948,467~~
~~Intermodal container shipping fees~~			
~~Total all funds~~	~~$88,626,586~~	~~$10,088,428~~	~~$98,715,014~~
~~Less estimated income~~			
~~Total general fund~~	~~$30,342,680~~	~~$9,949,041~~	~~$40,291,721~~
~~Full-time equivalent positions~~	~~66.40~~	~~(4.60)~~	~~61.80~~

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, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,995,788	$221,498	$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,628,111	57,538,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization commission	3,152,915	(3,152,915)	0
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	0	1,300,000	1,300,000
Total all funds	$88,626,586	$9,788,428	$98,415,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	$30,342,680	$9,649,041	$39,991,721
Full-time equivalent positions	66.40	(4.60)	61.80

SECTION 28. AMENDMENT. Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

~~**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:~~

~~One-Time Funding Description~~	~~2017-19~~	~~2019-21~~
~~Flood impact grants/loans~~	~~$5,201,752~~	~~$0~~
~~Unmanned aircraft system~~	~~2,000,000~~	~~2,225,000~~
~~Base retention grants~~	~~600,000~~	~~0~~
~~Enhanced use lease grant~~	~~3,000,000~~	~~3,000,000~~
~~Workforce grants to tribally controlled community colleges~~	~~500,000~~	~~500,000~~
~~Census 2020 program~~	~~0~~	~~1,000,000~~
~~Workforce safety grant~~	~~0~~	~~1,000,000~~

~~Entrepreneurship grants and vouchers~~	~~0~~	~~2,000,000~~
~~Sculpture maintenance grants~~	~~0~~	~~75,000~~
~~Nonresident nurse employment recruitment~~	~~0~~	~~800,000~~
~~Intermodal container transportation shipping fees~~	~~0~~	~~1,300,000~~
~~Job development and economic growth grant~~	~~0~~	~~25,000~~
~~Total all funds~~	~~$11,301,752~~	~~$11,925,000~~
~~Less estimated income~~	~~10,301,752~~	~~4,300,000~~
~~Total general fund~~	~~$1,000,000~~	~~$7,625,000~~

~~The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.~~

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Flood impact grants/loans	$5,201,752	$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	0
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	0	1,000,000
Workforce safety grant	0	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75,000
Nonresident nurse employment recruitment	0	500,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	0	25,000
Total all funds	$11,301,752	$11,625,000
Less estimated income	10,301,752	4,300,000
Total general fund	$1,000,000	$7,325,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 29. AMENDMENT. Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes ~~$800,000~~$500,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to $4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 30. AMENDMENT. Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning

July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

1. The size and use of the state hospital;

2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;

3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;

4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and

5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to ~~October~~July 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan.

SECTION 31. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 32. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:

   a. The majority and minority leaders of the house of representatives and the senate, or their designees;

   b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;

   c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;

   d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and

   e. The chairman of the legislative management, or the chairman's designee.

2. The legislative management shall designate the chairman of the committee.

3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.

4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.

5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include consideration of the implementation of the new Olmstead

commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;

2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;

3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and

4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

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

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 36. EFFECTIVE DATE. Section 31 of this Act becomes effective July 1, 2021.

SECTION 37. EMERGENCY. Senate Bill Nos. 2020 and 2297, as approved by the sixty-sixth legislative assembly, are declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2015 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 45 Nays 1 Absent 1

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 80 Nays 12 Absent 2

Speaker of the House

Chief Clerk of the House

Received by the Governor at 10:39 P.M. on April 26, 2019.

Approved at 1:08 A.M. on May 2, 2019.

Governor

Filed in this office this 2nd day of May, 2019,

at 10:05 o'clock A. M.

Secretary of State