21.0028.02000

Sixty-seventh Legislative Assembly of North Dakota

Introduced by

FIRST DRAFT:

Prepared by the Legislative Council staff for the Higher Education Funding Formula Review Committee November 2019

- 1 A BILL for an Act to create and enact a new chapter to title 15 of the North Dakota Century
- 2 Code, relating to capital building funds; and to declare an emergency.

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

- 4 **SECTION 1.** A new chapter to title 15 of the North Dakota Century Code is created and
- 5 enacted as follows:
- 6 Capital building funds Creation Exception.
- 7 <u>Each institution of higher education under the control of the state board of higher education</u>
- 8 <u>shall establish a capital building fund consisting of moneys appropriated for each institution's</u>
- 9 capital building fund. Unexpended appropriations or balances in university system institution
- 10 capital building funds are not subject to cancellation by the office of management and budget
- 11 under section 54-44.1-11.
- 12 <u>Capital building funds Uses Reports.</u>
- Subject to matching requirements under this chapter, each institution may use moneys from
- 14 its capital building fund for projects specifically authorized by the legislative assembly to use
- 15 capital building fund moneys. In addition, after an institution has matched and committed
- 16 seventy-five percent of the funding appropriated for institution extraordinary repairs and subject
- 17 to state board of higher education approval and matching requirements under this chapter, each
- 18 <u>institution may use moneys from its capital building fund for extraordinary repairs and deferred</u>
- 19 <u>maintenance projects that do not increase the overall square footage of all buildings on campus</u>
- 20 <u>in comparison to the prior biennium. The state board of higher education shall report biennially</u>
- 21 to the legislative management and to the appropriations committees of the legislative assembly
- 22 on the use of funding in each institution's capital building fund, the source of matching funds,
- and each institution's five-year plan for capital construction spending.

1	Capital building funds - Matching requirements.
2	Before spending capital building fund moneys on a project, an institution shall provide one
3	dollar of matching funds from operations or other sources for each one dollar to be used from
4	the institution's capital building fund for the project. An institution may not use extraordinary
5	repairs funding or state funding appropriated for a specific capital project as matching funds
6	under this section.
7	SECTION 2. CAPITAL BUILDING FUNDS - USES. The institutions listed may use funding
8	from the respective institution's capital building fund for the following projects authorized by the
9	sixty-sixth legislative assembly:
10	North Dakota state university - Dunbar Hall \$51,200,000
11	North Dakota state university - agriculture products development center 60,000,000
12	University of North Dakota - Gamble Hall 70,000,000
13	Total \$181,200,000
14	SECTION 3. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.
15	Funding appropriated to institutions of higher education under the control of the state board of
16	higher education for extraordinary repairs may be used for extraordinary repairs, deferred
17	maintenance, and debt service payments relating to extraordinary repairs and deferred
18	maintenance projects. An institution shall provide two dollars of matching funds from operations
19	or other sources for each one dollar of extraordinary repairs funding used for a project or debt
20	service payment. An institution may not use capital building fund moneys or state funding
21	appropriated for a specific capital project as matching funds under this section.
22	SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.