

Introduced by

Legislative Management

(Higher Education Committee)

1 A BILL for an Act to create and enact section 15-18.2-06.1 of the North Dakota Century Code,
2 relating to a higher education funding formula minimum amount payable; to amend and reenact
3 subdivision k of subsection 1 of section 15-18.2-02 and sections 15-18.2-03 and 15-18.2-05 of
4 the North Dakota Century Code, relating to the higher education funding formula; to repeal
5 section 15-18.2-04 of the North Dakota Century Code, relating to the institutional size factor of
6 the higher education funding formula; to provide for a study; to provide for a report; and to
7 provide legislative intent.

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

9 **SECTION 1. AMENDMENT.** Subdivision k of subsection 1 of section 15-18.2-02 of the
10 North Dakota Century Code is amended and reenacted as follows:

- 11 k. The factor for credits completed in career and technical education is ~~2.0~~are:
12 (1) 3.0 for lower division credits; and
13 (2) 5.0 for upper division credits.

14 **SECTION 2. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **15-18.2-03. Credit completion factor - Determination.**

- 17 1. Except as provided in subsections 2 and 3 of this section, for each institution under its
18 control, the state board of higher education shall multiply the product determined
19 under section 15-18.2-02 by a factor of:
20 a. 1.00 if the number of credit-hours is at least 240,000;
21 b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
22 c. 1.10 if the number of credit-hours is at least ~~120,000~~135,000 but less than
23 180,000;

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- 1 d. 1.15 if the number of credit-hours is at least ~~90,000~~130,000 but less than
2 ~~120,000~~135,000;
- 3 e. 1.20 if the number of credit-hours is at least ~~80,000~~120,000 but less than
4 ~~90,000~~130,000;
- 5 f. 1.30 if the number of credit-hours is at least 70,000 but less than ~~80,000~~120,000;
- 6 g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
- 7 h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
- 8 i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
- 9 j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
- 10 k. 1.80 if the number of credit-hours is less than 30,000.
- 11 2. ~~If the square footage of an institution, when divided by the institution's weighted credit-~~
12 ~~hours results in a quotient greater than 5.00, the state board of higher education shall~~
13 ~~multiply the product determined under section 15-18.2-02 by a factor of 1.00. For~~
14 ~~purposes of this subsection, the square footage of an institution includes real property~~
15 ~~as determined by the state board of higher education in accordance with section~~
16 ~~15-18.2-04.~~
- 17 3. If the number of credit-hours completed by an institution ~~causes~~would cause a
18 decrease in the credit completion factor for that institution, ~~the new credit completion-~~
19 ~~factor shall not be in effect for calculation purposes for the first two fiscal years-~~
20 ~~following the change~~ compared to the credit completion factor the institution was
21 entitled to receive during the 2017-19 biennium, the state board of higher education
22 shall multiply the product determined under section 15-18.2-02 by a credit growth
23 factor of 1.0 for credits in excess of the factor the institution was entitled to receive
24 during the 2017-19 biennium. Any weighted credit-hours multiplied by a credit growth
25 factor under this section must have a weight of 1.0 under section 15-18.2-02. The
26 state board of higher education shall multiply the remaining weighted credits by the
27 credit completion factor the institution was entitled to receive during the 2017-19
28 biennium.
- 29 4.3. For purposes of this section, the number of credit-hours must be those determined by
30 the state board of higher education in accordance with section 15-18.2-01.

1 **SECTION 3. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-18.2-05. Base funding - Determination of state aid.**

4 ~~1. Except as provided under subsection 2, in order to~~To determine the state aid payment to
5 which each institution under its control is entitled, the state board of higher education shall
6 multiply the product determined under section ~~15-18.2-04~~15-18.2-03 by a base amount of:

7 ~~a.1.~~ \$60.87 in the case of North Dakota state university and the university of North Dakota;

8 ~~b.2.~~ \$90.98 in the case of Dickinson state university, Mayville state university, Minot state
9 university, and Valley City state university; and

10 ~~c.3.~~ \$97.06 in the case of Bismarck state college, Dakota college at Bottineau, Lake
11 Region state college, North Dakota state college of science, and Williston state
12 college.

13 ~~2. An institution is entitled to an amount equal to seventy five percent of the product~~
14 ~~determined under subsection 1 for credits completed by students receiving a tuition~~
15 ~~waiver pursuant to section ~~54-12-35.~~~~

16 **SECTION 4.** Section 15-18.2-06.1 of the North Dakota Century Code is created and
17 enacted as follows:

18 **15-18.2-06.1. Base funding - Minimum amount payable.**

19 Notwithstanding any calculations required by this chapter, during each biennium beginning
20 with the 2021-23 biennium, an institution may not receive less than ninety-six percent of the
21 state aid to which the institution was entitled under this chapter during the previous biennium.

22 **SECTION 5. REPEAL.** Section 15-18.2-04 of the North Dakota Century Code is repealed.

23 **SECTION 6. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE HIGHER**

24 **EDUCATION FUNDING FORMULA - REPORT TO LEGISLATIVE MANAGEMENT.** During the
25 period beginning July 1, 2021, and ending June 30, 2022, the state board of higher education
26 shall study the higher education funding formula, including instructional program classification
27 factors. The state board of higher education shall provide a report to the legislative
28 management regarding any findings or recommended changes to the funding formula by
29 June 30, 2022.

1 **SECTION 7. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL**

2 **PROGRAM CLASSIFICATION FACTORS.** It is the intent of the sixty-seventh legislative
3 assembly that:

- 4 1. Veterinary medicine courses remain under the health sciences instructional program
5 classification within the higher education funding formula;
- 6 2. Computer and information sciences and support services courses be transferred to the
7 engineering instructional program classification within the higher education funding
8 formula; and
- 9 3. Lineworker; plumbing; powersports technology; heating, ventilating, air conditioning,
10 and refrigeration technology; diesel technology; mechanical systems; and machine
11 tooling courses be placed in an upper division under the career and technical
12 education instructional program classification within the higher education funding
13 formula.