

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1003

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 university system; to create and enact a new chapter to title 15 and three new subsections to
3 section 15-10-63 of the North Dakota Century Code, relating to the midwestern higher
4 education compact and capital project authorization; to amend and reenact sections 15-10-49,
5 15-18.2-02, 15-18.2-05, 15-62.4-03, and 54-44.1-11 of the North Dakota Century Code, relating
6 to matching grants for institutions under the control of the state board of higher education, state
7 aid to institutions, the student financial assistance grant program, and the cancellation of
8 unexpended appropriations; to repeal section 15-10-61 of the North Dakota Century Code,
9 relating to the dual-credit instructor assistance program; to authorize the state board of higher
10 education to issue and sell bonds for capital projects; to provide for a transfer; to provide for
11 report; and to declare an emergency.

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

13 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
14 as may be necessary, are appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, and from special funds derived from federal funds and
16 other income, to the state board of higher education and to the entities and institutions under
17 the supervision of the board, for the purpose of defraying the expenses of the state board of
18 higher education and the entities and institutions under the control of the board, for the
19 biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

20 Subdivision 1.

21 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22			
23			
24	Capital assets - bond payments	\$6,605,326	(\$1,645,878) \$4,959,448

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1	Competitive research programs	6,027,750	0	6,027,750
2	System governance	8,163,238	280,095	8,443,333
3	Title II	1,006,472	(1,006,472)	0
4	Core technology services	61,527,347	663,122	62,190,469
5	Student financial assistance grants	21,917,306	2,000,000	23,917,306
6	Professional student exchange program	3,699,342	0	3,699,342
7	Academic and technical education	12,016,749	0	12,016,749
8	scholarships			
9	Scholars program	1,807,115	0	1,807,115
10	Native American scholarship	555,323	0	555,323
11	Tribally controlled community college grants	600,000	(100,000)	500,000
12	Education incentive programs	2,863,393	(2,103,393)	760,000
13	Student mental health	284,400	0	284,400
14	Veterans' assistance grants	277,875	0	277,875
15	Shared campus services	500,000	0	500,000
16	Dual-credit instructor assistance	200,000	(200,000)	0
17	Education challenge fund	0	2,200,000	2,200,000
18	Tier III capital building fund pool	<u>0</u>	<u>9,000,000</u>	<u>9,000,000</u>
19	Total all funds	\$128,051,636	\$9,087,474	\$137,139,110
20	Less estimated income	<u>26,412,106</u>	<u>2,550,610</u>	<u>28,962,716</u>
21	Total general fund	\$101,639,530	\$6,536,864	\$108,176,394
22	Full-time equivalent positions	149.40	(0.50)	148.90

23 Subdivision 2.

24 BISMARCK STATE COLLEGE

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$101,670,034	(\$4,447,175)	\$97,222,859
28	Capital assets	1,922,561	0	1,922,561
29	Capital building fund	<u>0</u>	<u>1,679,082</u>	<u>1,679,082</u>
30	Total all funds	\$103,592,595	(\$2,768,093)	\$100,824,502
31	Less estimated income	<u>72,991,998</u>	<u>(3,062,872)</u>	<u>69,929,126</u>

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1	Total general fund	\$30,600,597	\$294,779	\$30,895,376
2	Full-time equivalent positions	358.35	(34.42)	323.93
3	Subdivision 3.			

LAKE REGION STATE COLLEGE

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$36,449,048	\$950,031	\$37,399,079
8	Capital assets	362,667	3,000,000	3,362,667
9	Capital building fund	<u>0</u>	<u>628,276</u>	<u>628,276</u>
10	Total all funds	\$36,811,715	\$4,578,307	\$41,390,022
11	Less estimated income	<u>24,111,092</u>	<u>4,405,672</u>	<u>28,516,764</u>
12	Total general fund	\$12,700,623	\$172,635	\$12,873,258
13	Full-time equivalent positions	129.61	(11.51)	118.10
14	Subdivision 4.			

WILLISTON STATE COLLEGE

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$26,954,133	\$1,077,752	\$28,031,885
19	Capital assets	1,261,968	0	1,261,968
20	Capital building fund	<u>0</u>	<u>435,812</u>	<u>435,812</u>
21	Total all funds	\$28,216,101	\$1,513,564	\$29,729,665
22	Less estimated income	<u>19,855,598</u>	<u>(137,663)</u>	<u>19,717,935</u>
23	Total general fund	\$8,360,503	\$1,651,227	\$10,011,730
24	Full-time equivalent positions	100.75	(0.27)	100.48
25	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$864,554,974	\$20,252,443	\$884,807,417
30	Capital assets	4,411,566	115,000,000	119,411,566
31	Capital building fund	<u>0</u>	<u>15,393,458</u>	<u>15,393,458</u>

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1	Total all funds	\$868,966,540	\$150,645,901	\$1,019,612,441
2	Less estimated income	<u>728,870,450</u>	<u>143,918,802</u>	<u>872,789,252</u>
3	Total general fund	\$140,096,090	\$6,727,099	\$146,823,189
4	Full-time equivalent positions	2,218.07	(85.90)	2,132.17
5	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$732,673,267	\$9,213,433	\$741,886,700
10	Capital assets	7,799,104	79,800,000	87,599,104
11	Capital building fund	<u>0</u>	<u>12,401,812</u>	<u>12,401,812</u>
12	Total all funds	\$740,472,371	\$101,415,245	\$841,887,616
13	Less estimated income	<u>611,881,329</u>	<u>97,661,956</u>	<u>709,543,285</u>
14	Total general fund	\$128,591,042	\$3,753,289	\$132,344,331
15	Full-time equivalent positions	1,895.66	(25.50)	1,870.16
16	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$91,682,610	\$3,610,065	\$95,292,675
21	Capital assets	1,012,379	0	1,012,379
22	Capital building fund	<u>0</u>	<u>1,537,982</u>	<u>1,537,982</u>
23	Total all funds	\$92,694,989	\$5,148,047	\$97,843,036
24	Less estimated income	<u>57,605,613</u>	<u>3,898,705</u>	<u>61,504,318</u>
25	Total general fund	\$35,089,376	\$1,249,342	\$36,338,718
26	Full-time equivalent positions	345.04	(34.31)	310.73
27	Subdivision 8.			

DICKINSON STATE UNIVERSITY

29			Adjustments or	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Operations	\$47,135,592	\$1,203,267	\$48,338,859

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1	Capital assets	409,078	0	409,078
2	Capital building fund	0	957,642	957,642
3	Theodore Roosevelt digitization	<u>0</u>	<u>250,000</u>	<u>250,000</u>
4	Total all funds	\$47,544,670	\$2,410,909	\$49,955,579
5	Less estimated income	<u>29,737,827</u>	<u>1,675,772</u>	<u>31,413,599</u>
6	Total general fund	\$17,806,843	\$735,137	\$18,541,980
7	Full-time equivalent positions	168.90	44.36	213.26

8 Subdivision 9.

9 MAYVILLE STATE UNIVERSITY

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Operations	\$44,197,761	\$3,153,768	\$47,351,529
13	Capital assets	358,992	0	358,992
14	Capital building fund	<u>0</u>	<u>833,832</u>	<u>833,832</u>
15	Total all funds	\$44,556,753	\$3,987,600	\$48,544,353
16	Less estimated income	<u>30,307,148</u>	<u>1,906,832</u>	<u>32,213,980</u>
17	Total general fund	\$14,249,605	\$2,080,768	\$16,330,373
18	Full-time equivalent positions	210.53	(1.26)	209.27

19 Subdivision 10.

20 MINOT STATE UNIVERSITY

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$100,710,275	\$1,095,224	\$101,805,499
24	Capital assets	1,099,620	0	1,099,620
25	Capital building fund	<u>0</u>	<u>2,042,828</u>	<u>2,042,828</u>
26	Total all funds	\$101,809,895	\$3,138,052	\$104,947,947
27	Less estimated income	<u>62,058,916</u>	<u>3,207,692</u>	<u>65,266,608</u>
28	Total general fund	\$39,750,979	(\$69,640)	\$39,681,339
29	Full-time equivalent positions	441.65	(34.07)	407.58

30 Subdivision 11.

31 VALLEY CITY STATE UNIVERSITY

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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Operations	\$48,444,336	(\$2,009,370)	\$46,434,966
4	Capital assets	455,823	0	455,823
5	Capital building fund	<u>0</u>	<u>1,028,686</u>	<u>1,028,686</u>
6	Total all funds	\$48,900,159	(\$980,684)	\$47,919,475
7	Less estimated income	<u>28,470,657</u>	<u>(1,583,258)</u>	<u>26,887,399</u>
8	Total general fund	\$20,429,502	\$602,574	\$21,032,076
9	Full-time equivalent positions	202.75	(22.07)	180.68

10 Subdivision 12.

11 DAKOTA COLLEGE AT BOTTINEAU

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
12				
13				
14	Operations	\$17,168,111	\$811,683	\$17,979,794
15	Capital assets	114,007	0	114,007
16	Capital building fund	<u>0</u>	<u>357,700</u>	<u>357,700</u>
17	Total all funds	\$17,282,118	\$1,169,383	\$18,451,501
18	Less estimated income	<u>9,629,173</u>	<u>1,124,568</u>	<u>10,753,741</u>
19	Total general fund	\$7,652,945	\$44,815	\$7,697,760
20	Full-time equivalent positions	84.30	(2.01)	82.29

21 Subdivision 13.

22 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
23				
24				
25	Operations	\$205,926,712	\$5,179,871	\$211,106,583
26	Health care workforce initiative	<u>0</u>	<u>10,676,150</u>	<u>10,676,150</u>
27	Total all funds	\$205,926,712	\$15,856,021	\$221,782,733
28	Less estimated income	<u>154,078,620</u>	<u>4,768,324</u>	<u>158,846,944</u>
29	Total general fund	\$51,848,092	\$11,087,697	\$62,935,789
30	Full-time equivalent positions	435.75	49.57	485.32

31 Subdivision 14.

NORTH DAKOTA FOREST SERVICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4 Operations	\$14,958,447	\$230,049	\$15,188,496
5 Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
6 Total all funds	\$15,077,175	\$230,049	\$15,307,224
7 Less estimated income	<u>10,650,748</u>	<u>14,652</u>	<u>10,665,400</u>
8 Total general fund	\$4,426,427	\$215,397	\$4,641,824
9 Full-time equivalent positions	27.00	0.00	27.00

10 Subdivision 15.

11 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Grand total general fund	\$613,242,154	\$35,081,983	\$648,324,137
15 Grand total special funds	<u>1,866,661,275</u>	<u>260,349,792</u>	<u>2,127,011,067</u>
16 Grand total all funds	\$2,479,903,429	\$295,431,775	\$2,775,335,204

17 **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect one-time funding items
 18 approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21
 19 biennium one-time funding items included in the appropriation in section 1 of this Act:

	<u>2017-19</u>	<u>2019-21</u>
20 <u>One-Time Funding Description</u>		
21 Capital projects - other funds	\$168,505,000	\$197,800,000
22 Education challenge grants	2,000,000	2,200,000
23 Tier II and tier III capital building funds	0	46,297,110
24 Theodore Roosevelt digitization	0	250,000
25 Institution operations distributions	2,000,000	0
26 Dickinson state university operations and debt repayment	8,284,626	0
27 Two-year campus study	40,000	0
28 Valley City state university integrated carbon project	22,500,000	0
29 Minot state university projects	2,284,000	0
30 Midwestern higher education compact dues	<u>230,000</u>	<u>0</u>
31 Total all funds	\$205,843,626	\$246,547,110

1 appointed in each state serves a two-year term. The other, and any regularly
2 appointed successor to either at large member, serves a four-year term. All vacancies
3 are to be filled in accordance with the laws of the appointing states. Any commissioner
4 appointed to fill a vacancy serves until the end of the incomplete term.

5 3. The commission shall select annually, from among its members, a chairman, a vice
6 chairman, and a treasurer.

7 4. The commission shall appoint an executive director who serves at its pleasure and
8 who is secretary to the commission. The treasurer, the executive director, and other
9 personnel as the commission determines must be bonded in the amounts required by
10 the commission.

11 5. The commission shall meet at least once each calendar year. The chairman may call
12 additional meetings and upon the request of a majority of the commission members of
13 three or more compacting states, shall call additional meetings. The commission shall
14 give public notice of all meetings. All meetings must be open to the public.

15 6. Each compacting state represented at any meeting of the commission is entitled to
16 one vote. A majority of the compacting states constitute a quorum for the transaction of
17 business, unless a larger quorum is required by the bylaws of the commission.

18 **ARTICLE III - POWERS AND DUTIES OF THE COMMISSION**

19 1. The commission shall adopt bylaws governing its management and operations.

20 2. Notwithstanding the laws of any compacting state, the commission shall provide for
21 the personnel policies and programs of the compact in its bylaws.

22 3. The commission shall submit a budget to the governor and legislative assembly of
23 each compacting state at the time and for the period required by each state. The
24 budget must contain recommendations regarding the amount to be appropriated by
25 each compacting state.

26 4. The commission shall report annually to the legislative assemblies and governors of
27 the compacting states, to the midwestern governors' conference, and to the
28 midwestern legislative conference of the council of state governments regarding the
29 activities of the commission during the preceding year. The reports must include any
30 recommendations that have been adopted by the commission.

- 1 5. The commission may borrow, accept, or contract for the services of personnel from
2 any state or from the United States, or from any subdivision or agency thereof, from
3 any interstate agency, or from any person.
- 4 6. The commission may accept for any of its purposes and functions under the compact
5 donations and grants of money, equipment, supplies, materials, and services,
6 conditional or otherwise, from any state or the United States or from any subdivision or
7 agency thereof, from an interstate agency, or from any person, and may receive, use,
8 and dispose of the same.
- 9 7. The commission may enter agreements with any other interstate education
10 organization or agency, with institutions of higher education located in nonmember
11 states, and with any of the various states to provide adequate programs and services
12 in higher education for the citizens of the respective compacting states. After
13 negotiations with interested institutions and interstate organizations or agencies, the
14 commission shall determine the cost of providing the programs and services in higher
15 education for use in these agreements.
- 16 8. The commission may establish and maintain offices in one or more of the compacting
17 states.
- 18 9. The commission may establish committees and hire staff as necessary to carry out its
19 functions.
- 20 10. The commission may provide for actual and necessary expenses for the attendance of
21 its members at official meetings of the commission or of its designated committees.

22 **ARTICLE IV - ACTIVITIES OF THE COMMISSION**

- 23 1. The commission shall collect data on the long-range effects of the compact on higher
24 education. By the end of the fourth year from the effective date of the compact and
25 every two years thereafter, the commission shall review its accomplishments and
26 make recommendations to the governors and legislative assemblies of the compacting
27 states regarding continuance of the compact.
- 28 2. The commission shall study higher education issues that are of particular concern to
29 the midwestern region. The commission also shall study the need for higher education
30 programs and services in the compacting states and the resources for meeting those
31 needs. The commission shall prepare reports, on its research, for presentation to the

1 governors and legislative assemblies of the compacting states, as well as to other
2 interested parties. In conducting the studies, the commission may confer with any
3 national or regional planning body. The commission may draft and recommend to the
4 governors and legislative assemblies of the various compacting states suggested
5 legislation addressing issues in higher education.

- 6 3. The commission shall study the need for the provision of adequate programs and
7 services in higher education, such as undergraduate, graduate, or professional
8 student exchanges in the region. If a need for exchange in a field is apparent, the
9 commission may enter agreements with any institution of higher education and with
10 any compacting state to provide programs and services in higher education for the
11 citizens of the respective compacting states. After negotiating with interested
12 institutions and the compacting states, the commission shall determine the cost of
13 providing the programs and services in higher education for use in its agreements.
14 The contracting states shall contribute funds not otherwise provided, as determined by
15 the commission, to carry out the agreements. The commission may also serve as the
16 administrative and fiscal agent in carrying out agreements for higher education
17 programs and services.
- 18 4. The commission shall serve as a clearinghouse for information regarding higher
19 education activities among institutions and agencies.
- 20 5. The commission may provide services and research in any other area of regional
21 concern.

22 **ARTICLE V - FINANCE**

- 23 1. The compacting states will appropriate the amount necessary to finance the general
24 operations of the commission, not otherwise provided for, when authorized by their
25 respective legislative assemblies. The amount must be apportioned equally among the
26 compacting states.
- 27 2. The commission may not incur any obligations prior to the passage of appropriations
28 adequate to meet the same; nor may the commission pledge the credit of any of the
29 compacting states, except by and with the authority of the compacting state.
- 30 3. The commission shall keep accurate accounts of its receipts and disbursements. The
31 receipts and disbursements of the commission are subject to the audit and accounting

1 procedures established under its bylaws. All receipts and disbursements handled by
2 the commission must be audited yearly by a certified or licensed public accountant
3 and the report of the audit must be included in and become part of the annual report of
4 the commission.

5 4. The accounts of the commission must be open at any reasonable time for inspection
6 by duly authorized representatives of the compacting states and by persons
7 authorized by the commission.

8 **ARTICLE VI - ELIGIBLE PARTIES AND ENTRY INTO FORCE**

9 1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri,
10 Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to become
11 parties to this compact. Additional states may be eligible if approved by a majority of
12 the compacting states.

13 2. This compact becomes effective, as to any eligible party state, when its legislative
14 assembly enacts the compact into law.

15 3. An amendment to the compact becomes effective upon its enactment by the
16 legislative assemblies of all compacting states.

17 **ARTICLE VII - WITHDRAWAL, DEFAULT, AND TERMINATION**

18 1. A compacting state may withdraw from the compact by enacting a statute repealing
19 the compact, but the withdrawal may not become effective until two years after the
20 enactment of such statute. A withdrawing state is liable for any obligation that it
21 incurred on account of its party status, up to the effective date of withdrawal, except
22 that if the withdrawing state has specifically undertaken or committed itself to any
23 performance of an obligation extending beyond the effective date of withdrawal, it
24 remains liable to the extent of the obligation.

25 2. If a compacting state at any time defaults in the performance of its obligations,
26 assumed or imposed, in accordance with this compact, all rights, privileges, and
27 benefits conferred by this compact or by agreements made under the compact are
28 suspended from the effective date of the default, as fixed by the commission. The
29 commission shall stipulate the conditions and maximum time for compliance under
30 which the defaulting state may resume its regular status. Unless the default is
31 remedied under the stipulations and within the time period set by the commission, the

1 compact may be terminated with respect to the defaulting state by affirmative vote of a
2 majority of the other member states. A defaulting state may be reinstated by
3 performing all acts and obligations required by the commission.

4 **ARTICLE VIII - SEVERABILITY AND CONSTRUCTION**

5 The provisions of this compact are severable, and if any phrase, clause, sentence, or
6 provision of this compact is declared to be contrary to the constitution of any compacting state
7 or of the United States or its applicability to any person or circumstance is held invalid, the
8 validity of the remainder of the compact and its applicability to any person or circumstance may
9 not be affected. If the compact is found to be contrary to the constitution of any compacting
10 state, the compact remains in full force and effect as to the remaining states and in full force
11 and effect as to the state affected as to all severable matters. The provisions of the compact
12 must be liberally construed to effectuate the purpose of the compact.

13 **Midwestern higher education commission - Terms - Vacancies.**

- 14 1. The members of the midwestern higher education commission representing this state
15 are:
- 16 a. The governor or the governor's designee.
- 17 b. One member of the senate and one member of the house of representatives,
18 appointed by the chairman of the legislative management.
- 19 c. Two at-large members, one of whom must be knowledgeable about the field of
20 higher education, appointed by the governor.
- 21 2. The term of each legislative appointee is two years. One initial at-large member must
22 be appointed for a term of two years and the other for a term of four years. Thereafter,
23 the term of each at-large member is four years.
- 24 3. If a member vacates the position to which the member was appointed, the position
25 must be filled for the remainder of the unexpired term in the same manner as that
26 position was filled initially.

27 **SECTION 4. AMENDMENT.** Section 15-10-49 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **15-10-49. Advancement of academics - Matching grants - Two-year and four-year**
2 **institutions of higher education.**

3 1. a. Subject to legislative appropriations, each biennium during the period beginning
4 July first of each odd-numbered year and ending December thirty-first of each
5 even-numbered year, the state board of higher education shall award one dollar
6 in matching grants for every two dollars raised by the institutional foundations of
7 Bismarck state college, Dakota college at Bottineau, Dickinson state university,
8 Lake Region state college, Mayville state university, Minot state university, North
9 Dakota state college of science, Valley City state university, and Williston state
10 college for projects dedicated exclusively to the advancement of academics.

11 b. To be eligible for a matching grant, an institution must demonstrate that:
12 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
13 monetary pledges for a qualifying project; and
14 (2) The project has been approved by the grant review committee established
15 in section 15-10-51.

16 c. The board may award up to two hundred thousand dollars in matching grants to
17 each institution.

18 2. a. If any available dollars have not been awarded by the board before January first
19 of each odd-numbered year, in accordance with subsection 1, any institution
20 listed in subsection 1 may apply for an additional matching grant.

21 b. An application submitted under this subsection must meet the same criteria as an
22 original application.

23 c. The board shall consider each application submitted under this subsection in
24 chronological order.

25 d. If the remaining dollars are insufficient to provide a matching grant in the amount
26 of one dollar for every two dollars raised by the institutional foundation, the board
27 shall award a lesser amount.

28 3. The state board of higher education shall retain up to one-quarter of one percent of
29 any grant awarded under this section to assist with administrative expenses incurred
30 in the grant review process.

1 **SECTION 5.** A new subsection to section 15-10-63 of the North Dakota Century Code is
2 created and enacted as follows:

3 Notwithstanding any existing agreements, an institution under the control of the state
4 board of higher education shall obtain approval from the legislative assembly before
5 the institution acquires any additional facility space to be used by the institution for any
6 purpose, if the acquisition would result in additional operating costs to be paid from
7 any source. This subsection does not apply to operating lease agreements that
8 preclude the ownership of the leased facility.

9 **SECTION 6.** A new subsection to section 15-10-63 of the North Dakota Century Code is
10 created and enacted as follows:

11 Notwithstanding any existing agreements, an institution under the control of the state
12 board of higher education shall obtain approval from the legislative assembly before
13 an institution purchases, rents, occupies, or otherwise utilizes a building or any portion
14 of a building for a purpose that directly or indirectly supports or relates to the
15 institution's educational or administrative functions if the building is located more than
16 ten miles from the campus of the institution. This subsection does not apply to
17 buildings utilized by an institution to offer dual-credit courses, buildings utilized by the
18 agricultural experiment station and research extension centers, and buildings utilized
19 by the North Dakota state university extension service. For purposes of this section,
20 "campus" means the campus of the institution under the federal Clery Act [Pub. L.
21 105-244; 20 U.S.C. 1092(f)].

22 **SECTION 7.** A new subsection to section 15-10-63 of the North Dakota Century Code is
23 created and enacted as follows:

24 An institution that obtains legislative approval to acquire any additional facility space to
25 be used by the institution for any purpose shall establish a maintenance reserve fund
26 of at least three percent of the total construction cost or replacement value, whichever
27 is greater, of the acquired space. The institution's plans for funding the maintenance
28 reserve fund must be included in the request for legislative approval. Maintenance
29 reserve funds must be deposited in an account under the control of the state board of
30 higher education before the acquired space may be occupied, and the funds may be
31 used for maintenance repairs after the total deferred maintenance of the space

1 exceeds thirty percent of its replacement value. The funds may not be used for any
2 other purpose. This subsection does not apply to additional space acquired through
3 the sale of revenue bonds that require by covenant the establishment of maintenance
4 reserve funds.

5 **SECTION 8. AMENDMENT.** Section 15-18.2-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15-18.2-02. Weighted credit-hours - Determination - Instructional program**
8 **classification factors - Submission to legislative management.**

9 1. In order to determine the weighted credit-hours for each institution under its control,
10 the state board of higher education shall multiply each of an institution's completed
11 credit-hours, as determined under section 15-18.2-01, by an instructional program
12 classification factor, as set forth in this section.

13 a. The factors for credits completed in agriculture are:

- 14 (1) 1.9 for lower division credits;
15 (2) 3.8 for upper division credits;
16 (3) 5.7 for professional level credits; and
17 (4) 7.6 for graduate level credits.

18 b. The factors for credits completed in architecture are:

- 19 (1) 1.8 for lower division credits;
20 (2) 3.6 for upper division credits;
21 (3) 5.4 for professional level credits; and
22 (4) 7.2 for graduate level credits.

23 c. The factors for credits completed in transportation are:

- 24 (1) 1.9 for lower division credits;
25 (2) 3.8 for upper division credits;
26 (3) 5.7 for professional level credits; and
27 (4) 7.6 for graduate level credits.

28 d. The factors for credits completed in the biological and physical sciences are:

- 29 (1) 1.9 for lower division credits;
30 (2) 3.8 for upper division credits;
31 (3) 5.7 for professional level credits; and

- 1 (4) 7.6 for graduate level credits.
- 2 e. The factors for credits completed in business are:
- 3 (1) 1.9 for lower division credits;
- 4 (2) 3.8 for upper division credits;
- 5 (3) 5.7 for professional level credits; and
- 6 (4) 7.6 for graduate level credits.
- 7 f. The factors for credits completed in education are:
- 8 (1) 1.9 for lower division credits;
- 9 (2) 3.8 for upper division credits;
- 10 (3) 5.7 for professional level credits; and
- 11 (4) 7.6 for graduate level credits.
- 12 g. The factors for credits completed in engineering are:
- 13 (1) 2.5 for lower division credits;
- 14 (2) 5.0 for upper division credits;
- 15 (3) 7.5 for professional level credits; and
- 16 (4) 10.0 for graduate level credits.
- 17 h. The factors for credits completed in the health sciences are:
- 18 (1) 3.0 for lower division credits;
- 19 (2) 6.0 for upper division credits;
- 20 (3) 9.0 for professional level credits;
- 21 (4) 12.0 for graduate level credits; and
- 22 (5) ~~38.0~~34.5 for medical school credits.
- 23 i. The factors for credits completed in legal studies are:
- 24 (1) 3.5 for lower division credits;
- 25 (2) 7.0 for upper division credits;
- 26 (3) 10.5 for professional level credits; and
- 27 (4) 14.0 for graduate level credits.
- 28 j. The factors for credits completed in the core disciplines are:
- 29 (1) 1.0 for lower division credits;
- 30 (2) 2.0 for upper division credits;
- 31 (3) 3.0 for professional level credits; and

- 1 (4) 4.0 for graduate level credits.
- 2 k. The factor for credits completed in career and technical education is 2.0.
- 3 l. The factor for completed basic skills credits is 2.3.
- 4 2. a. The state board of higher education shall ensure that all delineations in this
5 section reflect the requirements of a nationally recognized and standardized
6 instructional program classification system.
- 7 b. Before adopting any changes to the delineations implemented in accordance with
8 this section, the state board of higher education shall present the proposed
9 changes to and receive the approval of the legislative management.

10 **SECTION 9. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15-18.2-05. Base funding - Determination of state aid.**

- 13 1. Except as provided under subsection 2, in order to determine the state aid payment to
14 which each institution under its control is entitled, the state board of higher education
15 shall multiply the product determined under section 15-18.2-04 by a base amount of:
- 16 a. ~~\$58.65~~\$60.70 in the case of North Dakota state university and the university of
17 North Dakota;
- 18 b. ~~\$86.95~~\$90.48 in the case of Dickinson state university, Mayville state university,
19 Minot state university, and Valley City state university; and
- 20 c. ~~\$93.03~~\$96.52 in the case of Bismarck state college, Dakota college at Bottineau,
21 Lake Region state college, North Dakota state college of science, and Williston
22 state college.
- 23 2. An institution is entitled to an amount equal to seventy-five percent of the product
24 determined under subsection 1 for credits completed by students receiving a tuition
25 waiver pursuant to section 54-12-35.

26 **SECTION 10. AMENDMENT.** Section 15-62.4-03 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **15-62.4-03. Student financial assistance program - Grants.**

- 29 1. The state board of higher education shall provide to each eligible student a financial
30 assistance grant in an amount not exceeding:
- 31 a. ~~Nine hundred seventy-five~~One thousand one hundred dollars per semester; or

- 1 b. ~~Six hundred fifty~~Seven hundred thirty-three dollars per quarter.
- 2 2. a. A student is not entitled to receive grants under this chapter for more than the
- 3 equivalent of:
- 4 (1) Eight semesters of full-time enrollment; or
- 5 (2) Twelve quarters of full-time enrollment.
- 6 b. Notwithstanding subdivision a, a student is not entitled to receive a grant under
- 7 this chapter after the student obtains a baccalaureate degree.
- 8 3. The board shall forward grants payable under this chapter directly to the institution in
- 9 which the student is enrolled.

10 **SECTION 11. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is

11 amended and reenacted as follows:

12 **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**

13 **When they may continue. (Effective through July 31, ~~2019~~2021)**

14 Except as otherwise provided by law, the office of management and budget, thirty days after

15 the close of each biennial period, shall cancel all unexpended appropriations or balances of

16 appropriations after the expiration of the biennial period during which they became available

17 under the law. Unexpended appropriations for the state historical society are not subject to this

18 section and the state historical society shall report on the amounts and uses of funds carried

19 over from one biennium to the appropriations committees of the next subsequent legislative

20 assembly. Unexpended appropriations for the North Dakota university system are not subject to

21 this section and the North Dakota university system shall report on the amounts and uses of

22 funds carried over from one biennium to the next to subsequent appropriations committees of

23 the legislative assembly. The chairmen of the appropriations committees of the senate and

24 house of representatives of the legislative assembly with the office of the budget may continue

25 appropriations or balances in force for not more than two years after the expiration of the

26 biennial period during which they became available upon recommendation of the director of the

27 budget for:

- 28 1. New construction projects.
- 29 2. Major repair or improvement projects.

- 1 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
- 2 ordered during the first twelve months of the biennium in which the funds were
- 3 appropriated.
- 4 4. The purchase of land by the state on a "contract for deed" purchase if the total
- 5 purchase price is within the authorized appropriation.
- 6 5. Purchases by the department of transportation of roadway maintenance equipment
- 7 costing more than ten thousand dollars per unit if the equipment was ordered during
- 8 the first twenty-one months of the biennium in which the funds were appropriated.
- 9 6. Authorized ongoing information technology projects.

10 **Office of management and budget to cancel unexpended appropriations - When they**

11 **may continue. (Effective after July 31, 20192021)** The office of management and budget,
12 thirty days after the close of each biennial period, shall cancel all unexpended appropriations or
13 balances of appropriations after the expiration of the biennial period during which they became
14 available under the law. Unexpended appropriations for the state historical society are not
15 subject to this section and the state historical society shall report on the amounts and uses of
16 funds carried over from one biennium to the appropriations committees of the next subsequent
17 legislative assembly. The chairmen of the appropriations committees of the senate and house of
18 representatives of the legislative assembly with the office of the budget may continue
19 appropriations or balances in force for not more than two years after the expiration of the
20 biennial period during which they became available upon recommendation of the director of the
21 budget for:

- 22 1. New construction projects.
- 23 2. Major repair or improvement projects.
- 24 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
- 25 ordered during the first twelve months of the biennium in which the funds were
- 26 appropriated.
- 27 4. The purchase of land by the state on a "contract for deed" purchase if the total
- 28 purchase price is within the authorized appropriation.
- 29 5. Purchases by the department of transportation of roadway maintenance equipment
- 30 costing more than ten thousand dollars per unit if the equipment was ordered during
- 31 the first twenty-one months of the biennium in which the funds were appropriated.

1 6. Authorized ongoing information technology projects.

2 **SECTION 12. REPEAL.** Section 15-10-61 of the North Dakota Century Code is repealed.

3 **SECTION 13. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**

4 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from
5 federal, private, and other sources for competitive grants or other funds that the legislative
6 assembly has not indicated the intent to reject, including tuition revenue, received by the state
7 board of higher education and the institutions and entities under the control of the state board of
8 higher education, are appropriated to the board and those institutions and entities, for the
9 biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under
10 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019,
11 and ending June 30, 2021, are appropriated to the state board of higher education for
12 reimbursement to institutions under the control of the board.

13 **SECTION 14. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
14 period beginning with the effective date of this Act, and ending June 30, 2021, each capital
15 project authorized by the state board of higher education must have adequate project
16 management oversight by either an institution official or a representative of an external entity.
17 An institution may seek assistance from the North Dakota university system office for project
18 management oversight of a capital project.

19 **SECTION 15. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
20 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
21 includes a funding allocation from the higher education per student credit-hour funding formula
22 attributable to inflation during the biennium beginning July 1, 2019, and ending June 30, 2021.
23 Based on the recommendation of the commissioner of higher education a portion of the
24 allocation may be transferred by the state board of higher education between the university of
25 North Dakota school of medicine and health sciences and the university of North Dakota.

26 **SECTION 16. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**
27 Notwithstanding section 54-16-04, the state board of higher education may transfer
28 appropriation authority from the operations to the capital assets and capital building fund line
29 items within subdivisions 2 through 14 of section 1 of this Act for the biennium beginning July 1,
30 2019, and ending June 30, 2021. The board shall report any transfer of funds under this section
31 to the office of management and budget and the legislative management.

1 **SECTION 17. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
2 any other provisions of law, the state board of higher education may adjust full-time equivalent
3 positions as needed, subject to the availability of funds, for institutions and entities under its
4 control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North
5 Dakota university system shall report any adjustments to the office of management and budget
6 as part of the submission of the 2021-23 biennium budget request.

7 **SECTION 18. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.**
8 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding
9 from the general fund for institution extraordinary repairs. An institution shall provide two dollars
10 of matching funds from operations or other sources for each one dollar of extraordinary repairs
11 funding used for a project. An institution may not use tier II or tier III capital building fund
12 moneys as matching funds under this section.

13 **SECTION 19. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
14 higher education, in accordance with chapter 15-55, may arrange for the funding of projects
15 authorized in this section, declared to be in the public interest, through the issuance of
16 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the
17 effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant
18 to this section are not a general obligation of the state of North Dakota. Any unexpended
19 balance resulting from the proceeds of the evidences of indebtedness must be placed in a
20 sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may
21 be issued and the proceeds are appropriated in section 1 of this Act for the following capital
22 projects:

23 University of North Dakota - memorial union	\$80,000,000
24 North Dakota state university - university village phase II	<u>37,600,000</u>
25 Total special funds	\$117,600,000

26 **SECTION 20. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER II CAPITAL**
27 **BUILDING FUNDS - MATCHING FUNDS.** The industrial commission shall transfer to
28 institutions under the control of the state board of higher education a total of \$10,000,000, or so
29 much of the sum as may be necessary, from the current earnings and accumulated undivided
30 profits of the Bank of North Dakota during the period beginning with the effective date of this
31 Act, and ending June 30, 2021, as requested by the commissioner of higher education. The

1 capital building fund and estimated income line items in subdivisions 2 through 12 of section 1
2 of this Act include \$10,000,000 from the current earnings and accumulated undivided profits of
3 the Bank of North Dakota and \$8,648,555 from a one percent per year increase in tuition as
4 follows:

	<u>Bank of North Dakota</u>	<u>Estimated Tuition Commitment</u>
5		
6		
7 Bismarck state college	\$425,693	\$413,848
8 Lake Region state college	177,375	136,763
9 Williston state college	137,947	79,959
10 University of North Dakota	4,361,801	3,334,928
11 North Dakota state university	2,899,596	3,301,310
12 North Dakota state college of science	500,695	268,296
13 Dickinson state university	268,862	209,959
14 Mayville state university	240,029	176,887
15 Minot state university	572,801	448,613
16 Valley City state university	309,137	205,206
17 Dakota college at Bottineau	<u>106,064</u>	<u>72,786</u>
18 Total	\$10,000,000	\$8,648,555

19 An institution shall provide one dollar of matching funds from operations or other sources for
20 each one dollar from Bank of North Dakota profits and for each one dollar generated from the
21 one percent per year increase in tuition deposited in each institution's capital building fund. An
22 institution may not use extraordinary repairs funding or tier III capital building fund moneys as
23 matching funds under this section.

24 **SECTION 21. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER III CAPITAL**
25 **BUILDING FUND POOL - MATCHING FUNDS.** The industrial commission shall transfer to the
26 North Dakota university system office a total of \$5,000,000, or so much of the sum as may be
27 necessary, from the current earnings and accumulated undivided profits of the Bank of North
28 Dakota during the period beginning with the effective date of this Act, and ending June 30,
29 2021, as requested by the commissioner of higher education. The tier III capital building fund
30 pool and estimated income line items in subdivision 1 of section 1 of this Act include \$5,000,000
31 from the current earnings and accumulated undivided profits of the Bank of North Dakota. The

1 tier III capital building fund pool in subdivision 1 of section 1 of this Act also includes \$4,000,000
2 from the general fund. Funding from the tier III capital building fund pool is to be allocated to
3 each institution as follows:

	<u>Tier III Capital Building Fund</u>
4	
5 Bismarck state college	\$500,000
6 Lake Region state college	500,000
7 Williston state college	500,000
8 University of North Dakota	2,250,000
9 North Dakota state university	2,250,000
10 North Dakota state college of science	500,000
11 Dickinson state university	500,000
12 Mayville state university	500,000
13 Minot state university	500,000
14 Valley City state university	500,000
15 Dakota college at Bottineau	<u>500,000</u>
16 Total	\$9,000,000

17 An institution shall provide two dollars of matching funds from operations or other sources
18 for each one dollar from the tier III capital building fund pool. An institution may not use
19 extraordinary repairs funding or tier II capital building fund moneys as matching funds under this
20 section. Any funds transferred to an institution pursuant to this section from the tier III capital
21 building fund pool must be placed in that institution's capital building fund line item.

22 **SECTION 22. CAPITAL BUILDING FUNDS - USES - REPORTS.** Subject to state board of
23 higher education approval, each institution in subdivisions 2 through 12 of section 1 of this Act
24 may use moneys from its capital building fund line item for extraordinary repairs and deferred
25 maintenance projects which do not exceed \$700,000 and do not increase the square footage of
26 a building. In addition, Lake Region state college is authorized to use up to \$3,000,000 from its
27 capital building fund line item for the precision agriculture center project. The North Dakota
28 university system shall report to the legislative management during the 2019-20 interim and to
29 the appropriations committees of the sixty-seventh legislative assembly on the use of funding in
30 each institutions' capital building fund line item, the source of matching funds, and each
31 institutions' five-year plan for capital construction spending.

1 **SECTION 23. TUITION RATE INCREASE LIMITATION - BUDGET SECTION APPROVAL.**

- 2 1. Except as provided in this section, notwithstanding any other provision of law, the state
3 board of higher education may not increase tuition rates for resident students
4 attending institutions of higher education under its control during the 2019-20
5 academic year by more than three percent as compared to the tuition rate in effect
6 during the 2019 spring semester unless the board receives prior budget section
7 approval. Before approving or denying the request, the budget section shall consider
8 the effect the tuition rate increase will have on current and prospective students, tuition
9 rates at comparable institutions in neighboring states, and the institution's planned use
10 of additional tuition revenue.
- 11 2. Except as provided in this section, notwithstanding any other provision of law, the state
12 board of higher education may not increase tuition rates for resident students
13 attending institutions of higher education under its control during the 2020-21
14 academic year by more than three percent as compared to the tuition rate in effect
15 during the 2020 spring semester unless the board receives prior budget section
16 approval. Before approving or denying the request, the budget section shall consider
17 the effect the tuition rate increase will have on current and prospective students, tuition
18 rates at comparable institutions in neighboring states, and the institution's planned use
19 of additional tuition revenue.
- 20 3. This section does not apply to tuition rates charged for graduate level programs,
21 including programs offered through the university of North Dakota school of medicine
22 and health sciences, the university of North Dakota school of law, or the North Dakota
23 state university school of pharmacy.
- 24 4. This section does not apply to tuition rates for nonresident students attending
25 institutions of higher education under the control of the state board of higher
26 education. For purposes of this section, the residency of students for tuition purposes
27 must be determined under section 15-10-19.1.
- 28 5. This section does not apply to tuition rates determined under tuition reciprocity
29 agreements entered into by the state board of higher education with other states or
30 state education compacts.

- 1 6. For purposes of this section, an institution must calculate a resident tuition rate
2 increase based on the tuition rate paid by an average full-time resident student. The
3 state board of higher education may exclude adjustments to a tuition rate resulting
4 from a change in an institution's method of charging tuition, including the consolidation
5 of existing fees into tuition rates or charging tuition based on a per-credit rate, from
6 tuition rate calculations under this section.
- 7 7. The state board of higher education may increase tuition rates for all students
8 attending institutions of higher education under its control during the 2019-20
9 academic year by an additional one percent as compared to the tuition rate in effect
10 during the 2019 spring semester if the institution has provided matching funds from
11 operations or other sources for each one dollar generated from the one percent
12 increase in tuition, which must be deposited in each institution's capital building fund.
- 13 8. The state board of higher education may increase tuition rates for all students
14 attending institutions of higher education under its control during the 2020-21
15 academic year by an additional one percent as compared to the tuition rate in effect
16 during the 2020 spring semester if the institution has provided matching funds from
17 operations or other sources for each one dollar generated from the one percent
18 increase in tuition, which must be deposited in each institution's capital building fund.

19 **SECTION 24. EMERGENCY.** Sections 14, 16, 18, 19, 20, 21, and 22 of this Act and the
20 tier III capital building fund pool, capital assets, and capital building fund line items in section 1
21 of this Act are declared to be an emergency measure.