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Sixty-sixth  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
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, two new sections to chapter  
3 15-10, section 15-10-48.1, and a new section to chapter 15-18 of the North Dakota Century  
4 Code, relating to the midwestern higher education compact, the university of North Dakota  
5 men's golf program, the professional student exchange program, matching grants for the  
6 university of North Dakota school of law, and the Curtis and Annette Hofstad agricultural center;  
7 to amend and reenact sections 15-10-12.1, 15-10-48, 15-10-49, 15-10-50, 15-18.2-02,  
8 15-18.2-05, 15-62.4-03, and 54-44.1-11 of the North Dakota Century Code, relating to  
9 acceptance of buildings and campus improvements, matching grants for institutions under the  
10 control of the state board of higher education, state aid to institutions, the student financial  
11 assistance grant program, and the cancellation of unexpended appropriations; to repeal  
12 sections 15-10-37 and 15-10-61 of the North Dakota Century Code, relating to the technology  
13 occupations student loan program and the dual-credit instructor assistance program; to  
14 authorize the industrial commission to issue and sell evidences of indebtedness for capital  
15 projects; to authorize the state board of higher education to issue and sell bonds for capital  
16 projects; to provide for a transfer; to provide for the conveyance of real property; to provide for a  
17 legislative management study; to provide for reports; to provide for application; and to declare  
18 an emergency.

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

20 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
21 as may be necessary, are appropriated out of any moneys in the general fund in the state  
22 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
23 other income, to the state board of higher education and to the entities and institutions under  
24 the supervision of the board, for the purpose of defraying the expenses of the state board of

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1 higher education and the entities and institutions under the control of the board, for the  
2 biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

3 Subdivision 1.

4 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7 Capital assets - bond payments	\$6,605,326	(\$1,645,878)	\$4,959,448
8 Competitive research programs	6,027,750	(342,000)	5,685,750
9 NASA EPSCoR	0	342,000	342,000
10 System governance	8,163,238	574,629	8,737,867
11 Title II	1,006,472	(1,006,472)	0
12 Core technology services	61,527,347	758,781	62,286,128
13 Student financial assistance grants	21,917,306	2,000,000	23,917,306
14 Professional student exchange program	3,699,342	0	3,699,342
15 Academic and technical education	12,016,749	0	12,016,749
16 scholarships			
17 Scholars program	1,807,115	0	1,807,115
18 Native American scholarship	555,323	0	555,323
19 Tribally controlled community college	600,000	400,000	1,000,000
20 grants			
21 Education incentive programs	2,863,393	(2,353,393)	510,000
22 Student mental health	284,400	0	284,400
23 Veterans' assistance grants	277,875	0	277,875
24 Shared campus services	500,000	0	500,000
25 Dual-credit instructor assistance	200,000	(200,000)	0
26 Education challenge fund	0	9,400,000	9,400,000
27 Tier III capital building fund pool	<u>0</u>	<u>9,000,000</u>	<u>9,000,000</u>
28 Total all funds	\$128,051,636	\$16,927,667	\$144,979,303
29 Less estimated income	<u>26,412,106</u>	<u>4,590,100</u>	<u>31,002,206</u>
30 Total general fund	\$101,639,530	\$12,337,567	\$113,977,097
31 Full-time equivalent positions	149.40	(0.50)	148.90

1 Subdivision 2.

2 BISMARCK STATE COLLEGE

3			Adjustments or	
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Operations	\$101,670,034	(\$2,926,352)	\$98,743,682
6	Capital assets	1,922,561	0	1,922,561
7	Capital building fund	<u>0</u>	<u>851,386</u>	<u>851,386</u>
8	Total all funds	\$103,592,595	(\$2,074,966)	\$101,517,629
9	Less estimated income	<u>72,991,998</u>	<u>(2,542,596)</u>	<u>70,449,402</u>
10	Total general fund	\$30,600,597	\$467,630	\$31,068,227
11	Full-time equivalent positions	358.35	(34.42)	323.93

12 Subdivision 3.

13 LAKE REGION STATE COLLEGE

14			Adjustments or	
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Operations	\$36,449,048	\$1,110,079	\$37,559,127
17	Capital assets	362,667	3,000,000	3,362,667
18	Capital building fund	<u>0</u>	<u>354,750</u>	<u>354,750</u>
19	Total all funds	\$36,811,715	\$4,464,829	\$41,276,544
20	Less estimated income	<u>24,111,092</u>	<u>4,220,172</u>	<u>28,331,264</u>
21	Total general fund	\$12,700,623	\$244,657	\$12,945,280
22	Full-time equivalent positions	129.61	(11.51)	118.10

23 Subdivision 4.

24 WILLISTON STATE COLLEGE

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$26,954,133	\$5,641,927	\$32,596,060
28	Capital assets	1,261,968	0	1,261,968
29	Capital building fund	<u>0</u>	<u>275,894</u>	<u>275,894</u>
30	Total all funds	\$28,216,101	\$5,917,821	\$34,133,922
31	Less estimated income	<u>19,855,598</u>	<u>4,210,581</u>	<u>24,066,179</u>

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1	Total general fund	\$8,360,503	\$1,707,240	\$10,067,743
2	Full-time equivalent positions	100.75	(0.27)	100.48
3	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

			Adjustments or	
		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$864,554,974	\$26,999,006	\$891,553,980
8	Capital assets	4,411,566	145,000,000	149,411,566
9	Capital building fund	<u>0</u>	<u>8,723,602</u>	<u>8,723,602</u>
10	Total all funds	\$868,966,540	\$180,722,608	\$1,049,689,148
11	Less estimated income	<u>728,870,450</u>	<u>170,538,829</u>	<u>899,409,279</u>
12	Total general fund	\$140,096,090	\$10,183,779	\$150,279,869
13	Full-time equivalent positions	2,218.07	(85.90)	2,132.17
14	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

			Adjustments or	
		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$732,673,267	\$12,602,304	\$745,275,571
19	Capital assets	7,799,104	79,800,000	87,599,104
20	Capital building fund	<u>0</u>	<u>5,799,192</u>	<u>5,799,192</u>
21	Total all funds	\$740,472,371	\$98,201,496	\$838,673,867
22	Less estimated income	<u>611,881,329</u>	<u>94,077,555</u>	<u>705,958,884</u>
23	Total general fund	\$128,591,042	\$4,123,941	\$132,714,983
24	Full-time equivalent positions	1,895.66	(25.50)	1,870.16
25	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

			Adjustments or	
		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$91,682,610	\$4,042,801	\$95,725,411
30	Capital assets	1,012,379	0	1,012,379
31	Capital building fund	<u>0</u>	<u>1,001,390</u>	<u>1,001,390</u>

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1	Total all funds	\$92,694,989	\$5,044,191	\$97,739,180
2	Less estimated income	<u>57,605,613</u>	<u>3,591,545</u>	<u>61,197,158</u>
3	Total general fund	\$35,089,376	\$1,452,646	\$36,542,022
4	Full-time equivalent positions	345.04	(34.31)	310.73
5	Subdivision 8.			

DICKINSON STATE UNIVERSITY

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$47,135,592	\$1,425,402	\$48,560,994
10	Capital assets	409,078	0	409,078
11	Capital building fund	0	537,724	537,724
12	Theodore Roosevelt digitization	<u>0</u>	<u>200,000</u>	<u>200,000</u>
13	Total all funds	\$47,544,670	\$2,163,126	\$49,707,796
14	Less estimated income	<u>29,737,827</u>	<u>1,376,906</u>	<u>31,114,733</u>
15	Total general fund	\$17,806,843	\$786,220	\$18,593,063
16	Full-time equivalent positions	168.90	44.36	213.26
17	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Operations	\$44,197,761	\$3,521,794	\$47,719,555
22	Capital assets	358,992	0	358,992
23	Capital building fund	<u>0</u>	<u>480,058</u>	<u>480,058</u>
24	Total all funds	\$44,556,753	\$4,001,852	\$48,558,605
25	Less estimated income	<u>30,307,148</u>	<u>1,830,841</u>	<u>32,137,989</u>
26	Total general fund	\$14,249,605	\$2,171,011	\$16,420,616
27	Full-time equivalent positions	210.53	(1.26)	209.27
28	Subdivision 10.			

MINOT STATE UNIVERSITY

30			Adjustments or	
31		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

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1	Operations	\$100,710,275	\$1,614,798	\$102,325,073
2	Capital assets	1,099,620	0	1,099,620
3	Capital building fund	<u>0</u>	<u>1,145,602</u>	<u>1,145,602</u>
4	Total all funds	\$101,809,895	\$2,760,400	\$104,570,295
5	Less estimated income	<u>62,058,916</u>	<u>2,614,686</u>	<u>64,673,602</u>
6	Total general fund	\$39,750,979	\$145,714	\$39,896,693
7	Full-time equivalent positions	441.65	(34.07)	407.58

8 Subdivision 11.

9 VALLEY CITY STATE UNIVERSITY

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Operations	\$48,444,336	(\$267,408)	\$48,176,928
13	Capital assets	455,823	0	455,823
14	Capital building fund	<u>0</u>	<u>618,274</u>	<u>618,274</u>
15	Total all funds	\$48,900,159	\$350,866	\$49,251,025
16	Less estimated income	<u>28,470,657</u>	<u>(1,878,565)</u>	<u>26,592,092</u>
17	Total general fund	\$20,429,502	\$2,229,431	\$22,658,933
18	Full-time equivalent positions	202.75	(22.07)	180.68

19 Subdivision 12.

20 DAKOTA COLLEGE AT BOTTINEAU

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$17,168,111	\$4,272,495	\$21,440,606
24	Capital assets	114,007	2,500,000	2,614,007
25	Capital building fund	<u>0</u>	<u>212,128</u>	<u>212,128</u>
26	Total all funds	\$17,282,118	\$6,984,623	\$24,266,741
27	Less estimated income	<u>9,629,173</u>	<u>6,896,742</u>	<u>16,525,915</u>
28	Total general fund	\$7,652,945	\$87,881	\$7,740,826
29	Full-time equivalent positions	84.30	(2.01)	82.29

30 Subdivision 13.

31 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Operations	\$205,926,712	\$5,369,938
4	Health care workforce initiative	<u>0</u>	<u>10,676,150</u>
5	Total all funds	\$205,926,712	\$16,046,088
6	Less estimated income	<u>154,078,620</u>	<u>4,958,391</u>
7	Total general fund	\$51,848,092	\$11,087,697
8	Full-time equivalent positions	435.75	49.57
9	Subdivision 14.		485.32

NORTH DAKOTA FOREST SERVICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Operations	\$14,958,447	\$264,889
14	Capital assets	<u>118,728</u>	<u>0</u>
15	Total all funds	\$15,077,175	\$264,889
16	Less estimated income	<u>10,650,748</u>	<u>14,652</u>
17	Total general fund	\$4,426,427	\$250,237
18	Full-time equivalent positions	27.00	0.00
19	Subdivision 15.		27.00

BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Grand total general fund	\$613,242,154	\$47,275,651
24	Grand total special funds	<u>1,866,661,275</u>	<u>294,499,839</u>
25	Grand total all funds	\$2,479,903,429	\$2,821,678,919

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect 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:

	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
30			
31	Capital projects - other funds	\$168,505,000	\$230,300,000

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1	Education challenge grants	2,000,000	9,400,000
2	School of law matching grants	0	250,000
3	Tier II and tier III capital building funds	0	29,000,000
4	Theodore Roosevelt digitization	0	200,000
5	University of North Dakota campus network upgrades	0	1,500,000
6	North Dakota state university campus network upgrades	0	1,500,000
7	Institution operations distributions	2,000,000	0
8	Dickinson state university operations and debt repayment	8,284,626	0
9	Two-year campus study	40,000	0
10	Valley City state university integrated carbon project	22,500,000	0
11	Minot state university projects	2,284,000	0
12	Midwestern higher education compact dues	<u>230,000</u>	<u>0</u>
13	Total all funds	\$205,843,626	\$272,150,000
14	Total other funds	<u>193,289,000</u>	<u>260,300,000</u>
15	Total general fund	\$12,554,626	\$11,850,000

16 The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget  
 17 for the 2021-23 biennium. The institutions and entities under the control of the state board of  
 18 higher education shall report to the appropriations committees of the sixty-seventh legislative  
 19 assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and  
 20 ending June 30, 2021.

21 **SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - WILLISTON STATE COLLEGE.**

22 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
 23 appropriated, the sum of \$491,850, or so much of the sum as may be necessary, to Williston  
 24 state college for institution operations, for the period beginning with the effective date of this Act,  
 25 and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from  
 26 this appropriation may be continued into the biennium beginning July 1, 2019, and ending  
 27 June 30, 2021.

28 **SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - DICKINSON STATE UNIVERSITY.**

29 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
 30 appropriated, the sum of \$550,000, or so much of the sum as may be necessary, to Dickinson  
 31 state university for the digitization of documents at the Theodore Roosevelt center, for the



1 period beginning with the effective date of this Act, and ending June 30, 2019. In accordance  
2 with section 54-44.1-11, any unexpended funds from this appropriation may be continued into  
3 the biennium beginning July 1, 2019, and ending June 30, 2021.

4 **SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - STATE BOARD OF HIGHER**  
5 **EDUCATION.** There is appropriated out of any moneys in the general fund in the state treasury,  
6 not otherwise appropriated, the sum of \$2,700,000, or so much of the sum as may be  
7 necessary, to the state board of higher education for campus workforce initiative projects,  
8 including \$1,000,000 for the Bismarck state college polytechnic transition, \$1,000,000 for the  
9 Dickinson state university dual-mission transition, and \$700,000 for Williston state college, for  
10 the period beginning with the effective date of this Act, and ending June 30, 2019. In  
11 accordance with section 54-44.1-11, any unexpended funds from this appropriation may be  
12 continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

13 **SECTION 6.** A new chapter to title 15 of the North Dakota Century Code is created and  
14 enacted as follows:

15 **Midwestern regional higher education compact.**

16 The midwestern regional higher education compact is adopted as follows:

17 **ARTICLE I - PURPOSE**

18 The purpose of the midwestern higher education compact is to provide greater higher  
19 education opportunities and services in the midwestern region, with the aim of furthering  
20 regional access to, research in, and choice of higher education for the citizens residing in the  
21 states that are parties to this compact.

22 **ARTICLE II - THE COMMISSION**

- 23 1. The compacting states create the midwestern higher education commission,  
24 hereinafter called the commission. The commission is a body corporate of each  
25 compacting state. The commission has all the responsibilities, powers, and duties set  
26 forth in this chapter, including the power to sue and be sued, and any additional  
27 powers conferred upon it by subsequent action of the respective legislative assemblies  
28 of the compacting states in accordance with the terms of this compact.
- 29 2. The commission consists of the following five resident members from each state: the  
30 governor or the governor's designee who serves during the tenure of office of the  
31 governor; two legislators, one from each house, except for Nebraska, which may

1 appoint two legislators from its legislative assembly, who serve two-year terms and are  
2 appointed by the appropriate appointing authority in each house of the legislative  
3 assembly; and two other at large members, at least one of whom is to be selected  
4 from the field of higher education. The at large members are to be appointed as  
5 provided by the laws of the appointing state. One of the two at large members initially  
6 appointed in each state serves a two-year term. The other, and any regularly  
7 appointed successor to either at large member, serves a four-year term. All vacancies  
8 are to be filled in accordance with the laws of the appointing states. Any commissioner  
9 appointed to fill a vacancy serves until the end of the incomplete term.

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

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

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

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

### 23 **ARTICLE III - POWERS AND DUTIES OF THE COMMISSION**

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

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

27 3. The commission shall submit a budget to the governor and legislative assembly of  
28 each compacting state at the time and for the period required by each state. The  
29 budget must contain recommendations regarding the amount to be appropriated by  
30 each compacting state.

- 1       4. The commission shall report annually to the legislative assemblies and governors of  
2       the compacting states, to the midwestern governors' conference, and to the  
3       midwestern legislative conference of the council of state governments regarding the  
4       activities of the commission during the preceding year. The reports must include any  
5       recommendations that have been adopted by the commission.
- 6       5. The commission may borrow, accept, or contract for the services of personnel from  
7       any state or from the United States, or from any subdivision or agency thereof, from  
8       any interstate agency, or from any person.
- 9       6. The commission may accept for any of its purposes and functions under the compact  
10      donations and grants of money, equipment, supplies, materials, and services,  
11      conditional or otherwise, from any state or the United States or from any subdivision or  
12      agency thereof, from an interstate agency, or from any person, and may receive, use,  
13      and dispose of the same.
- 14      7. The commission may enter agreements with any other interstate education  
15      organization or agency, with institutions of higher education located in nonmember  
16      states, and with any of the various states to provide adequate programs and services  
17      in higher education for the citizens of the respective compacting states. After  
18      negotiations with interested institutions and interstate organizations or agencies, the  
19      commission shall determine the cost of providing the programs and services in higher  
20      education for use in these agreements.
- 21      8. The commission may establish and maintain offices in one or more of the compacting  
22      states.
- 23      9. The commission may establish committees and hire staff as necessary to carry out its  
24      functions.
- 25      10. The commission may provide for actual and necessary expenses for the attendance of  
26      its members at official meetings of the commission or of its designated committees.

**ARTICLE IV - ACTIVITIES OF THE COMMISSION**

- 28      1. The commission shall collect data on the long-range effects of the compact on higher  
29      education. By the end of the fourth year from the effective date of the compact and  
30      every two years thereafter, the commission shall review its accomplishments and

1           make recommendations to the governors and legislative assemblies of the compacting  
2           states regarding continuance of the compact.

3           2. The commission shall study higher education issues that are of particular concern to  
4           the midwestern region. The commission also shall study the need for higher education  
5           programs and services in the compacting states and the resources for meeting those  
6           needs. The commission shall prepare reports, on its research, for presentation to the  
7           governors and legislative assemblies of the compacting states, as well as to other  
8           interested parties. In conducting the studies, the commission may confer with any  
9           national or regional planning body. The commission may draft and recommend to the  
10           governors and legislative assemblies of the various compacting states suggested  
11           legislation addressing issues in higher education.

12           3. The commission shall study the need for the provision of adequate programs and  
13           services in higher education, such as undergraduate, graduate, or professional  
14           student exchanges in the region. If a need for exchange in a field is apparent, the  
15           commission may enter agreements with any institution of higher education and with  
16           any compacting state to provide programs and services in higher education for the  
17           citizens of the respective compacting states. After negotiating with interested  
18           institutions and the compacting states, the commission shall determine the cost of  
19           providing the programs and services in higher education for use in its agreements.  
20           The contracting states shall contribute funds not otherwise provided, as determined by  
21           the commission, to carry out the agreements. The commission may also serve as the  
22           administrative and fiscal agent in carrying out agreements for higher education  
23           programs and services.

24           4. The commission shall serve as a clearinghouse for information regarding higher  
25           education activities among institutions and agencies.

26           5. The commission may provide services and research in any other area of regional  
27           concern.

#### **ARTICLE V - FINANCE**

28  
29           1. The compacting states will appropriate the amount necessary to finance the general  
30           operations of the commission, not otherwise provided for, when authorized by their

1 respective legislative assemblies. The amount must be apportioned equally among the  
2 compacting states.

3 2. The commission may not incur any obligations prior to the passage of appropriations  
4 adequate to meet the same; nor may the commission pledge the credit of any of the  
5 compacting states, except by and with the authority of the compacting state.

6 3. The commission shall keep accurate accounts of its receipts and disbursements. The  
7 receipts and disbursements of the commission are subject to the audit and accounting  
8 procedures established under its bylaws. All receipts and disbursements handled by  
9 the commission must be audited yearly by a certified or licensed public accountant  
10 and the report of the audit must be included in and become part of the annual report of  
11 the commission.

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

#### 15 **ARTICLE VI - ELIGIBLE PARTIES AND ENTRY INTO FORCE**

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

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

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

#### 24 **ARTICLE VII - WITHDRAWAL, DEFAULT, AND TERMINATION**

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

1       2. If a compacting state at any time defaults in the performance of its obligations,  
2       assumed or imposed, in accordance with this compact, all rights, privileges, and  
3       benefits conferred by this compact or by agreements made under the compact are  
4       suspended from the effective date of the default, as fixed by the commission. The  
5       commission shall stipulate the conditions and maximum time for compliance under  
6       which the defaulting state may resume its regular status. Unless the default is  
7       remedied under the stipulations and within the time period set by the commission, the  
8       compact may be terminated with respect to the defaulting state by affirmative vote of a  
9       majority of the other member states. A defaulting state may be reinstated by  
10      performing all acts and obligations required by the commission.

### 11                                   **ARTICLE VIII - SEVERABILITY AND CONSTRUCTION**

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

#### 20      **Midwestern higher education commission - Terms - Vacancies.**

- 21      1. The members of the midwestern higher education commission representing this state  
22      are:
- 23      a. The governor or the governor's designee.
  - 24      b. One member of the senate and one member of the house of representatives,  
25      appointed by the chairman of the legislative management.
  - 26      c. Two at-large members, one of whom must be knowledgeable about the field of  
27      higher education, appointed by the governor.
- 28      2. The term of each legislative appointee is two years. One initial at-large member must  
29      be appointed for a term of two years and the other for a term of four years. Thereafter,  
30      the term of each at-large member is four years.

1       3. If a member vacates the position to which the member was appointed, the position  
2           must be filled for the remainder of the unexpired term in the same manner as that  
3           position was filled initially.

4       **SECTION 7. AMENDMENT.** Section 15-10-12.1 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6       **15-10-12.1. Acceptance of buildings and campus improvements - Legislative**  
7 **approval.**

8       The state board of higher education may authorize campus improvements and building  
9 maintenance on land under the control of the board which are financed by donations, gifts,  
10 grants, and bequests if the cost of the improvement or building maintenance is not more than  
11 seven hundred thousand dollars. The consent of the legislative assembly is required for  
12 construction of any building or any addition to a building on land under the control of the board  
13 which is financed by donations, gifts, grants, and bequests. The consent of the legislative  
14 assembly is required for campus improvements or building maintenance financed by donations,  
15 gifts, grants, and bequests if the cost of the improvements or maintenance is more than seven  
16 hundred thousand dollars. During the time the legislative assembly is not in session, except for  
17 the six months preceding the convening of a regular session and the three months following the  
18 close of a regular session, and unless otherwise restricted by previous legislative action or other  
19 law, the state board of higher education, with the approval of the budget section of the  
20 legislative management, may authorize the use of land under the control of the board and  
21 construct buildings financed by donations, gifts, grants, and bequests and campus  
22 improvements and building maintenance financed by donations, gifts, grants, and bequests if  
23 the cost of the improvement or maintenance is more than seven hundred thousand dollars. Any  
24 project request submitted to the budget section for the construction of a building financed by  
25 donations, gifts, grants, and bequests must include the removal of a building or buildings with  
26 an equivalent or greater total number of square feet compared to the proposed building. The  
27 budget section approval must include a specific dollar limit for each building, campus  
28 improvement project, or maintenance project. The state board of higher education may  
29 authorize the sale of any real property or buildings which an institution of higher learning has  
30 received by gift or bequest. The board shall prescribe such conditions for the sale of the  
31 property as it determines necessary. The conditions must include requiring an appraisal and

1 public auction or advertisement for bids, unless the gift instrument requires a different process.  
2 If the state board of higher education submits a request for campus improvements or, building  
3 maintenance, or to construct buildings under this section to the budget section for approval, the  
4 legislative council shall notify each member of the legislative assembly of the date of the budget  
5 section meeting at which the request will be considered and provide a copy of the meeting  
6 agenda to each member of the legislative assembly. The chairman of the budget section shall  
7 allow any member of the legislative assembly an opportunity to present testimony to the budget  
8 section regarding any such request.

9 **SECTION 8. AMENDMENT.** Section 15-10-48 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **15-10-48. Advancement of academics - Matching grants - University of North Dakota**  
12 **and North Dakota state university.**

- 13 1. a. Subject to legislative appropriations, each biennium during the period beginning  
14 July first of each odd-numbered year and ending December thirty-first of each  
15 even-numbered year, the state board of higher education shall award one dollar  
16 in matching grants for every two dollars raised by the institutional foundations of  
17 the university of North Dakota and North Dakota state university for projects  
18 dedicated exclusively to the advancement of academics.
- 19 b. To be eligible for a matching grant, an institution must demonstrate that:  
20 (1) Its foundation has raised at least fifty thousand dollars in cash or monetary  
21 pledges for a qualifying project; and  
22 (2) The project has been approved by the grant review committee established  
23 in section 15-10-51.
- 24 c. The board may award up to ~~two hundred thousand~~ one million seven hundred  
25 thousand dollars in matching grants to each institution.
- 26 d. Projects at the university of North Dakota school of medicine and health sciences  
27 are not eligible to receive a grant under this section.
- 28 2. a. If any available dollars have not been awarded by the board before January first  
29 of each odd-numbered year, in accordance with subsection 1, either the  
30 university of North Dakota or North Dakota state university may apply for an  
31 additional matching grant.



- 1           b. An application submitted under this subsection must meet the same criteria as an  
2           original application.
- 3           c. The board shall consider each application submitted under this subsection in  
4           chronological order.
- 5           d. If the remaining dollars are insufficient to provide a matching grant in the amount  
6           of one dollar for every two dollars raised by the institutional foundation, the board  
7           shall award a lesser amount.
- 8           3. The state board of higher education shall retain up to one-quarter of one percent of  
9           any grant awarded under this section to assist with administrative expenses incurred  
10          in the grant review process.

11          **SECTION 9.** Section 15-10-48.1 of the North Dakota Century Code is created and enacted  
12 as follows:

13          **15-10-48.1. Clinical legal education, including indigent legal services, and faculty**  
14 **recruitment and retention - Matching grants - University of North Dakota school of law.**

- 15          1. a. Subject to legislative appropriations, each biennium the state board of higher  
16 education shall award one dollar in matching grants for every two dollars raised  
17 by the institutional foundation of the university of North Dakota for projects  
18 dedicated exclusively to clinical legal education, including indigent legal services,  
19 or the recruitment and retention of faculty at the school of law.
- 20          b. To be eligible for a matching grant, the institution shall demonstrate:  
21           (1) Its foundation has raised at least twenty-five thousand dollars in cash or  
22           monetary pledges for a qualifying project; and  
23           (2) The project has been approved by the grant review committee established  
24           in section 15-10-51.
- 25          c. The board may award up to two hundred fifty thousand dollars in matching grants  
26 under this section.
- 27          d. If the remaining dollars are insufficient to provide a matching grant in the amount  
28 of one dollar for every two dollars raised by the institutional foundation, the board  
29 shall award a lesser amount.

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

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

6        **15-10-49. Advancement of academics - Matching grants - Two-year and four-year**  
7 **institutions of higher education.**

- 8        1.    a.    Subject to legislative appropriations, each biennium during the period beginning  
9            July first of each odd-numbered year and ending December thirty-first of each  
10           even-numbered year, the state board of higher education shall award one dollar  
11           in matching grants for every two dollars raised by the institutional foundations of  
12           Bismarck state college, Dakota college at Bottineau, Dickinson state university,  
13           Lake Region state college, Mayville state university, Minot state university, North  
14           Dakota state college of science, Valley City state university, and Williston state  
15           college for projects dedicated exclusively to the advancement of academics.
- 16        b.    To be eligible for a matching grant, an institution must demonstrate that:
- 17           (1)    Its foundation has raised at least twenty-five thousand dollars in cash or  
18           monetary pledges for a qualifying project; and
- 19           (2)    The project has been approved by the grant review committee established  
20           in section 15-10-51.
- 21        c.    The board may award up to ~~two hundred thousand dollars in matching grants to~~  
22           ~~each institution.;~~
- 23           (1)    Nine hundred fifty thousand dollars each to Bismarck state college, Minot  
24           state university, and the North Dakota state college of science;
- 25           (2)    Seven hundred thousand dollars each to Dickinson state university, Mayville  
26           state university, and Valley City state university; and
- 27           (3)    Three hundred fifty thousand dollars each to Dakota college at Bottineau,  
28           Lake Region state college, and Williston state college.
- 29        2.    a.    If any available dollars have not been awarded by the board before January first  
30           of each odd-numbered year, in accordance with subsection 1, any institution  
31           listed in subsection 1 may apply for an additional matching grant.

- 1           b. An application submitted under this subsection must meet the same criteria as an  
2           original application.
- 3           c. The board shall consider each application submitted under this subsection in  
4           chronological order.
- 5           d. If the remaining dollars are insufficient to provide a matching grant in the amount  
6           of one dollar for every two dollars raised by the institutional foundation, the board  
7           shall award a lesser amount.
- 8           3. The state board of higher education shall retain up to one-quarter of one percent of  
9           any grant awarded under this section to assist with administrative expenses incurred  
10          in the grant review process.

11          **SECTION 11. AMENDMENT.** Section 15-10-50 of the North Dakota Century Code is  
12          amended and reenacted as follows:

13          **15-10-50. Liability for pledged amount.**

14          If in accordance with section 15-10-48, 15-10-48.1, or 15-10-49, the state board of higher  
15          education provides grant funds to an institution, on the basis of a monetary pledge, and if the  
16          amount forthcoming is less than the amount pledged, the institutional foundation is liable to the  
17          institution for any shortfall.

18          **SECTION 12.** A new section to chapter 15-10 of the North Dakota Century Code is created  
19          and enacted as follows:

20          **Professional student exchange programs - Bank of North Dakota - Agreements -**  
21          **Repayment.**

- 22          1. The state board of higher education may not make a payment to an out-of-state  
23          institution on behalf of an individual participating in a professional student exchange  
24          program in veterinary medicine, dentistry, or optometry unless that individual signed a  
25          legally binding agreement with the state board of higher education which identifies the  
26          amount of the award under the professional student exchange program.
- 27          2. If the individual who signed the agreement under subsection 1 is not practicing  
28          veterinary medicine, dentistry, or optometry in this state within thirty-six months  
29          following graduation or of leaving the education program, the individual shall repay the  
30          amount of the agreement in full at that time.

- 1       3. If the individual who signed the agreement under subsection 1 practices veterinary  
2       medicine, dentistry, or optometry in this state within thirty-six months following  
3       graduation, the state board of higher education shall reduce the amount of the  
4       agreement by one-third, for each full year the individual continues practicing in the  
5       state. If the individual stops practicing in this state before the amount of the agreement  
6       is waived in its entirety, the individual shall repay the remaining portion of the  
7       agreement in full from the date the individual stopped practicing in the state.
- 8       4. If the individual who signed the agreement under subsection 1 departs before  
9       graduation from a program in dentistry or optometry, at the time of departure that  
10       individual shall repay the amount of the agreement in full.
- 11       5. The Bank of North Dakota shall allow an individual who is required to repay all or a  
12       portion of an agreement under this section to utilize one of the Bank's student loan  
13       programs as an option for repayment, up to the amount certified by the state board of  
14       higher education. To qualify under this subsection, the individual must meet student  
15       loan credit criteria as established by the Bank.
- 16       6. The state board of higher education shall defer any repayment of an agreement  
17       otherwise due under this section for the period of time the individual who signed the  
18       agreement is pursuing full-time graduate or postdoctoral studies or is called to active  
19       duty as a member of the armed forces. The repayment provisions under an agreement  
20       signed under this section must provide for cancellation of the repayment requirements  
21       if the individual dies or becomes permanently or totally disabled.
- 22       7. The state board of higher education shall adopt policies and procedures implementing  
23       this section. The state board of higher education shall confirm eligibility, to the Bank, of  
24       any individual who uses the Bank's student loan program to repay any outstanding  
25       agreement amounts in full.

26       **SECTION 13.** A new section to chapter 15-10 of the North Dakota Century Code is created  
27 and enacted as follows:

28       **University of North Dakota men's varsity golf program.**

29       If certain real property known as the Ray Richards golf course or Ray Richards golf course  
30       addition, 3801 demers avenue, lot 1, block 1, and Ray Richards golf course addition, 3501  
31       demers avenue, lot 2, block 1, in the records of the city of Grand Forks, or any portion of the

1 property, is conveyed, fifty-three and fifty-seven one hundredths percent of the sale price must  
2 be transferred to a permanent endowment fund named the Ray Richards golf endowment fund,  
3 which must be controlled and administered by the university of North Dakota alumni foundation  
4 for the sole benefit of the university of North Dakota men's varsity golf program in honor of the  
5 Ray Richards family. If the university of North Dakota men's varsity golf program has been  
6 terminated prior to the conveyance, so much of the funds in the Ray Richards golf endowment  
7 fund as necessary must be used to reinstate the program, and the remainder must be used for  
8 the sole benefit of the program.

9       **SECTION 14.** A new section to chapter 15-18 of the North Dakota Century Code is created  
10 and enacted as follows:

11       **Curtis and Annette Hofstad agricultural center.**

12       The agricultural center constructed on the campus of Lake Region state college is officially  
13 named the Curtis and Annette Hofstad agricultural center.

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

16       **15-18.2-02. Weighted credit-hours - Determination - Instructional program**  
17 **classification factors - Submission to legislative management.**

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

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

- 23               (1) 1.9 for lower division credits;  
24               (2) 3.8 for upper division credits;  
25               (3) 5.7 for professional level credits; and  
26               (4) 7.6 for graduate level credits.

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

- 28               (1) 1.8 for lower division credits;  
29               (2) 3.6 for upper division credits;  
30               (3) 5.4 for professional level credits; and  
31               (4) 7.2 for graduate level credits.

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

- 1           i. The factors for credits completed in legal studies are:
- 2                 (1) 3.5 for lower division credits;
- 3                 (2) 7.0 for upper division credits;
- 4                 (3) ~~10.5~~14.0 for professional level credits; and
- 5                 (4) 14.0 for graduate level credits.
- 6           j. The factors for credits completed in the core disciplines are:
- 7                 (1) 1.0 for lower division credits;
- 8                 (2) 2.0 for upper division credits;
- 9                 (3) 3.0 for professional level credits; and
- 10                (4) 4.0 for graduate level credits.
- 11           k. The factor for credits completed in career and technical education is 2.0.
- 12           l. The factor for completed basic skills credits is 2.3.
- 13           2. a. The state board of higher education shall ensure that all delineations in this
- 14                 section reflect the requirements of a nationally recognized and standardized
- 15                 instructional program classification system.
- 16                b. Before adopting any changes to the delineations implemented in accordance with
- 17                 this section, the state board of higher education shall present the proposed
- 18                 changes to and receive the approval of the legislative management.

19           **SECTION 16. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is

20 amended and reenacted as follows:

21           **15-18.2-05. Base funding - Determination of state aid.**

- 22           1. Except as provided under subsection 2, in order to determine the state aid payment to
- 23                 which each institution under its control is entitled, the state board of higher education
- 24                 shall multiply the product determined under section 15-18.2-04 by a base amount of:
- 25                a. ~~\$58.65~~\$60.87 in the case of North Dakota state university and the university of
- 26                 North Dakota;
- 27                b. ~~\$86.95~~\$90.98 in the case of Dickinson state university, Mayville state university,
- 28                 Minot state university, and Valley City state university; and
- 29                c. ~~\$93.03~~\$97.06 in the case of Bismarck state college, Dakota college at Bottineau,
- 30                 Lake Region state college, North Dakota state college of science, and Williston
- 31                 state college.

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

4           **SECTION 17. AMENDMENT.** Section 15-62.4-03 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **15-62.4-03. Student financial assistance program - Grants.**

- 7           1.    The state board of higher education shall provide to each eligible student a financial  
8                   assistance grant in an amount not exceeding:
- 9                   a.    ~~Nine hundred seventy-five~~One thousand one hundred dollars per semester; or  
10                  b.    ~~Six hundred fifty~~Seven hundred thirty-three dollars per quarter.
- 11          2.    a.    A student is not entitled to receive grants under this chapter for more than the  
12                   equivalent of:
- 13                   (1)   Eight semesters of full-time enrollment; or  
14                   (2)   Twelve quarters of full-time enrollment.
- 15                  b.    Notwithstanding subdivision a, a student is not entitled to receive a grant under  
16                   this chapter after the student obtains a baccalaureate degree.
- 17          3.    The board shall forward grants payable under this chapter directly to the institution in  
18                   which the student is enrolled.

19          **SECTION 18. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21          **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**  
22 **When they may continue. (Effective through July 31, ~~2019~~2021)**

23           Except as otherwise provided by law, the office of management and budget, thirty days after  
24 the close of each biennial period, shall cancel all unexpended appropriations or balances of  
25 appropriations after the expiration of the biennial period during which they became available  
26 under the law. Unexpended appropriations for the state historical society are not subject to this  
27 section and the state historical society shall report on the amounts and uses of funds carried  
28 over from one biennium to the appropriations committees of the next subsequent legislative  
29 assembly. Unexpended appropriations for the North Dakota university system are not subject to  
30 this section and the North Dakota university system shall report on the amounts and uses of  
31 funds carried over from one biennium to the next to subsequent appropriations committees of



1 the legislative assembly. The chairmen of the appropriations committees of the senate and  
2 house of representatives of the legislative assembly with the office of the budget may continue  
3 appropriations or balances in force for not more than two years after the expiration of the  
4 biennial period during which they became available upon recommendation of the director of the  
5 budget for:

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

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

- 29 1. New construction projects.
- 30 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        **SECTION 19. REPEAL.** Sections 15-10-37 and 15-10-61 of the North Dakota Century  
11 Code are repealed.

12        **SECTION 20. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**

13 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from  
14 federal, private, and other sources for competitive grants or other funds that the legislative  
15 assembly has not indicated the intent to reject, including tuition revenue, received by the state  
16 board of higher education and the institutions and entities under the control of the state board of  
17 higher education, are appropriated to the board and those institutions and entities, for the  
18 biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under  
19 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019,  
20 and ending June 30, 2021, are appropriated to the state board of higher education for  
21 reimbursement to institutions under the control of the board.

22        **SECTION 21. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the  
23 period beginning with the effective date of this Act, and ending June 30, 2021, each capital  
24 project authorized by the state board of higher education must have adequate project  
25 management oversight by either an institution official or a representative of an external entity.  
26 An institution may seek assistance from the North Dakota university system office for project  
27 management oversight of a capital project.

28        **SECTION 22. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**  
29 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act  
30 includes a funding allocation from the higher education per student credit-hour funding formula  
31 attributable to inflation during the biennium beginning July 1, 2019, and ending June 30, 2021.

1 Based on the recommendation of the commissioner of higher education a portion of the  
2 allocation may be transferred by the state board of higher education between the university of  
3 North Dakota school of medicine and health sciences and the university of North Dakota.

4 **SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**

5 Notwithstanding section 54-16-04, the state board of higher education may transfer  
6 appropriation authority from the operations to the capital assets and capital building fund line  
7 items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the  
8 effective date of this Act, and ending June 30, 2021. The board shall report any transfer of funds  
9 under this section to the office of management and budget and the legislative management.

10 **SECTION 24. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding

11 any other provisions of law, the state board of higher education may adjust full-time equivalent  
12 positions as needed, subject to the availability of funds, for institutions and entities under its  
13 control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North  
14 Dakota university system shall report any adjustments to the office of management and budget  
15 as part of the submission of the 2021-23 biennium budget request.

16 **SECTION 25. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.**

17 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding  
18 from the general fund for institution extraordinary repairs. An institution shall provide two dollars  
19 of matching funds from operations or other sources for each one dollar of extraordinary repairs  
20 funding used for a project. An institution may not use tier II or tier III capital building fund  
21 moneys as matching funds under this section.

22 **SECTION 26. SALE OF PROPERTY AUTHORIZED.** The state of North Dakota, by and

23 through the state board of higher education, may sell and convey certain real property known as  
24 gallery apartments, lots 1, 2, and 3, block 13, university heights addition, and lots 1, 2, 3, 4, 5,  
25 and 6, block 1, university heights 2<sup>nd</sup> addition, in the records of the city of Grand Forks. The  
26 state of North Dakota, by and through the state board of higher education, may sell and convey  
27 certain real property located at 1225 stanford road, lots 1 and 2, block 5, university heights  
28 addition, in the records of the city of Grand Forks. If any of the real property authorized to be  
29 conveyed under this section is conveyed, the terms of the conveyance must be determined  
30 jointly by the state board of higher education or a designee of the board and the commissioner

1 of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers  
2 authorized by this section.

3 **SECTION 27. PROJECT AUTHORIZATIONS.** The industrial commission, acting as the  
4 North Dakota building authority, shall arrange for the funding of the projects authorized in this  
5 section, declared to be in the public interest, through the issuance of evidences of indebtedness  
6 under chapter 54-17.2, beginning with the effective date of this Act, and ending June 30, 2021.  
7 The industrial commission shall issue evidences of indebtedness under this section with the  
8 condition that lease rental payments need not begin until July 1, 2021. The authority of the  
9 industrial commission to issue evidences of indebtedness under this section ends June 30,  
10 2021, but the industrial commission may continue to exercise all other powers granted to it  
11 under chapter 54-17.2 and this Act and comply with any covenants entered before that date.  
12 The proceeds of the evidences of indebtedness are included in the appropriation in  
13 subdivision 5 of section 1, beginning with the effective date of this Act, and ending June 30,  
14 2021, for the following projects:

15 University of North Dakota - deferred maintenance and parking projects	<u>\$30,000,000</u>
16 Total special funds	\$30,000,000

17 The university of North Dakota is responsible for the repayment of any evidences of  
18 indebtedness issued under this section from institution operations funding or other local funds.

19 **SECTION 28. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of  
20 higher education, in accordance with chapter 15-55, may arrange for the funding of projects  
21 authorized in this section, declared to be in the public interest, through the issuance of  
22 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the  
23 effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant  
24 to this section are not a general obligation of the state of North Dakota. Any unexpended  
25 balance resulting from the proceeds of the evidences of indebtedness must be placed in a  
26 sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may  
27 be issued and the proceeds are appropriated in section 1 of this Act for the following capital  
28 projects:

29 University of North Dakota - memorial union	\$80,000,000
30 North Dakota state university - university village phase II	37,600,000

1	Dakota college at Bottineau - dining facility	<u>2,500,000</u>
2	Total special funds	\$120,100,000

3       **SECTION 29. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER II CAPITAL**

4 **BUILDING FUNDS - MATCHING FUNDS.** The industrial commission shall transfer to  
5 institutions under the control of the state board of higher education a total of \$10,000,000, or so  
6 much of the sum as may be necessary, from the current earnings and accumulated undivided  
7 profits of the Bank of North Dakota during the period beginning with the effective date of this  
8 Act, and ending June 30, 2021, as requested by the commissioner of higher education. The  
9 capital building fund and estimated income line items in subdivisions 2 through 12 of section 1  
10 of this Act include \$10,000,000 from the current earnings and accumulated undivided profits of  
11 the Bank of North Dakota as follows:

	<u>Bank of North Dakota</u>	
12		
13	Bismarck state college	\$425,693
14	Lake Region state college	177,375
15	Williston state college	137,947
16	University of North Dakota	4,361,801
17	North Dakota state university	2,899,596
18	North Dakota state college of science	500,695
19	Dickinson state university	268,862
20	Mayville state university	240,029
21	Minot state university	572,801
22	Valley City state university	309,137
23	Dakota college at Bottineau	<u>106,064</u>
24	Total	\$10,000,000

25       An institution shall provide one dollar of matching funds from operations or other sources for  
26 each one dollar from Bank of North Dakota profits deposited in each institution's capital building  
27 fund. An institution may not use extraordinary repairs funding or tier III capital building fund  
28 moneys as matching funds under this section.

29       **SECTION 30. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER III CAPITAL**

30 **BUILDING FUND POOL - MATCHING FUNDS.** The industrial commission shall transfer to the  
31 North Dakota university system office a total of \$7,000,000, or so much of the sum as may be

1 necessary, from the current earnings and accumulated undivided profits of the Bank of North  
2 Dakota during the period beginning with the effective date of this Act, and ending June 30,  
3 2021, as requested by the commissioner of higher education. The tier III capital building fund  
4 pool and estimated income line items in subdivision 1 of section 1 of this Act include \$7,000,000  
5 from the current earnings and accumulated undivided profits of the Bank of North Dakota. The  
6 tier III capital building fund pool in subdivision 1 of section 1 of this Act also includes \$2,000,000  
7 from the general fund. Funding from the tier III capital building fund pool is to be allocated to  
8 each institution as follows:

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

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

27 **SECTION 31. CAPITAL BUILDING FUNDS - USES - REPORTS.** After the institution has  
28 matched seventy-five percent of the funding appropriated from the general fund for institution  
29 extraordinary repairs pursuant to section 25 of this Act and subject to state board of higher  
30 education approval, each institution in subdivisions 2 through 12 of section 1 of this Act may use  
31 moneys from its capital building fund line item for extraordinary repairs and deferred

1 maintenance projects which do not exceed \$700,000 and do not increase the square footage of  
2 a building. In addition, the following projects are authorized to use funding from the  
3 corresponding institution's capital building fund line item:

4 Lake Region state college - precision agriculture center	\$3,000,000
5 North Dakota state college of science - Hektner Student Center	6,708,000
6 Minot state university - dome wellness emergency generators	1,130,335
7 Valley City state university - life safety projects	2,529,323
8 Dakota college at Bottineau - Nelson Science Center	<u>1,177,758</u>
9 Total	\$14,545,416

10 The North Dakota university system shall report to the legislative management during the  
11 2019-20 interim and to the appropriations committees of the sixty-seventh legislative assembly  
12 on the use of funding in each institutions' capital building fund line item, the source of matching  
13 funds, and each institutions' five-year plan for capital construction spending.

14 **SECTION 32. TRANSFER - BANK OF NORTH DAKOTA PROFITS - CAMPUS**  
15 **NETWORK UPGRADES.** The industrial commission shall transfer to the university of North  
16 Dakota a total of \$1,500,000, or so much of the sum as may be necessary, and to North Dakota  
17 state university a total of \$1,500,000, or so much of the sum as may be necessary, from the  
18 current earnings and accumulated undivided profits of the Bank of North Dakota during the  
19 biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the commissioner  
20 of higher education. The estimated income line items in subdivisions 5 and 6 of section 1  
21 include \$1,500,000 each for the university of North Dakota and North Dakota state university for  
22 campus network upgrades.

23 **SECTION 33. TUITION RATE INCREASE LIMITATION - BUDGET SECTION APPROVAL.**

24 1. Except as provided in this section, notwithstanding any other provision of law, the state  
25 board of higher education may not increase tuition rates for resident students  
26 attending institutions of higher education under its control during the 2019-20  
27 academic year by more than four percent as compared to the tuition rate in effect  
28 during the 2019 spring semester unless the board receives prior budget section  
29 approval. Before approving or denying the request, the budget section shall consider  
30 the effect the tuition rate increase will have on current and prospective students, tuition

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



1       **SECTION 34. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the  
2 legislative management shall consider studying North Dakota university system competitive  
3 research programs, including the established program to stimulate competitive research. The  
4 legislative management shall report its findings and recommendations, together with any  
5 legislation required to implement the recommendations, to the sixty-seventh legislative  
6 assembly.

7       **SECTION 35. APPLICATION.** Section 12 of this Act applies to individuals initially entering a  
8 professional student exchange program in veterinary medicine, dentistry, or optometry after  
9 June 30, 2020.

10       **SECTION 36. EMERGENCY.** Sections 3, 4, 5, 21, 23, 25, 26, 27, 28, 29, 30, and 31 of this  
11 Act and the tier III capital building fund pool, capital assets, and capital building fund line items  
12 in section 1 of this Act are declared to be an emergency measure.