

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

**ENGROSSED HOUSE BILL NO. 1003**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota  
2 university system; to provide for legislative council studies; to create and enact a new chapter  
3 to title 15 of the North Dakota Century Code, relating to the adoption of the midwestern regional  
4 higher education compact; and to declare an emergency.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
7 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in  
8 the state treasury, not otherwise appropriated, and from special funds derived from federal  
9 funds or other income, to the North Dakota university system and to the various institutions of  
10 higher learning under the supervision of the North Dakota university system for the purpose of  
11 defraying their expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001,  
12 as follows:

13 Subdivision 1.

14 NORTH DAKOTA UNIVERSITY SYSTEM

15 Equity and special needs pool	\$4,290,128
16 Technology pool	21,948,467
17 Critical salary pool	<u>2,630,992</u>
18 General fund appropriation	\$28,869,587

19 Subdivision 2.

20 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

21 Salaries and wages	\$2,194,131
22 Operating expenses	760,709
23 Equipment	26,000
24 Student financial assistance grants	4,450,281

Fifty-sixth  
Legislative Assembly

1	Information technology management	215,255
2	Professional student exchange program	1,310,716
3	Disabled student services	26,560
4	Technical administration	197,627
5	Contingency and capital improvements emergency fund	398,000
6	Scholars program	706,230
7	Native American scholarships	204,082
8	Title II	534,000
9	Competitive research program	1,971,100
10	Prairie public broadcasting	992,513
11	Board initiatives	<u>2,296,000</u>
12	Total operating funds	\$16,283,204
13	Less estimated income	<u>4,933,900</u>
14	General fund appropriation	\$11,349,304

15 Subdivision 3.

16 BISMARCK STATE COLLEGE

17	Salaries and wages	\$16,406,677
18	Operating expenses	4,893,212
19	Equipment	367,187
20	Capital improvements	<u>958,835</u>
21	Total operating funds	\$22,625,911
22	Less estimated income	<u>7,789,776</u>
23	General fund appropriation	\$14,836,135
24	Local funds appropriation	\$11,370,000
25	Total all funds appropriation	\$33,995,911

26 Subdivision 4.

27 UNIVERSITY OF NORTH DAKOTA - LAKE REGION

28	Salaries and wages	\$4,374,197
29	Operating expenses	1,338,042
30	Equipment	150,338
31	Capital improvements	<u>1,094,318</u>

Fifty-sixth  
Legislative Assembly

1	Total operating funds	\$6,956,895
2	Less estimated income	<u>1,948,806</u>
3	General fund appropriation	\$5,008,089
4	Local funds appropriation	\$6,403,766
5	Total all funds appropriation	\$13,360,661

6 Subdivision 5.

7 UNIVERSITY OF NORTH DAKOTA - WILLISTON

8	Salaries and wages	\$5,280,022
9	Operating expenses	1,521,116
10	Equipment	249,596
11	Capital improvements	<u>88,790</u>
12	Total operating funds	\$7,139,524
13	Less estimated income	<u>2,300,265</u>
14	General fund appropriation	\$4,839,259
15	Local funds appropriation	\$1,653,000
16	Total all funds appropriation	\$8,792,524

17 Subdivision 6.

18 UNIVERSITY OF NORTH DAKOTA

19	Salaries and wages	\$98,902,879
20	Operating expenses	27,655,286
21	Equipment	1,520,260
22	Capital improvements	4,917,136
23	Special initiatives pool	<u>1,462,223</u>
24	Total operating funds	\$134,457,784
25	Less estimated income	<u>52,633,093</u>
26	General fund appropriation	\$81,824,691
27	Local funds appropriation	\$282,733,609
28	Total all funds appropriation	\$417,191,393

29 Subdivision 7.

30 NORTH DAKOTA STATE UNIVERSITY

Fifty-sixth  
Legislative Assembly

1	Salaries and wages	\$85,829,387
2	Operating expenses	21,576,515
3	Equipment	1,867,800
4	Capital improvements	8,652,531
5	Skills training center	<u>1,535,000</u>
6	Total operating funds	\$119,461,233
7	Less estimated income	<u>55,903,914</u>
8	General fund appropriation	\$63,557,319
9	Local funds appropriation	\$111,620,179
10	Total all funds appropriation	\$231,081,412

11 Subdivision 8.

12 NORTH DAKOTA STATE COLLEGE OF SCIENCE

13	Salaries and wages	\$23,706,342
14	Operating expenses	6,605,363
15	Equipment	1,494,368
16	Capital improvements	<u>2,635,885</u>
17	Total operating funds	\$34,441,958
18	Less estimated income	<u>9,485,836</u>
19	General fund appropriation	\$24,956,122
20	Local funds appropriation	\$15,580,000
21	Total all funds appropriation	\$50,021,958

22 Subdivision 9.

23 DICKINSON STATE UNIVERSITY

24	Salaries and wages	\$14,074,351
25	Operating expenses	4,074,962
26	Equipment	390,000
27	Capital improvements	<u>693,962</u>
28	Total operating funds	\$19,233,275
29	Less estimated income	<u>6,146,576</u>
30	General fund appropriation	\$13,086,699

Fifty-sixth  
Legislative Assembly

1	Local funds appropriation	\$8,221,397
2	Total all funds appropriation	\$27,454,672
3	Subdivision 10.	
4	MAYVILLE STATE UNIVERSITY	
5	Salaries and wages	\$8,142,255
6	Operating expenses	2,211,150
7	Equipment	170,500
8	Capital improvements	<u>931,671</u>
9	Total operating funds	\$11,455,576
10	Less estimated income	<u>2,908,718</u>
11	General fund appropriation	\$8,546,858
12	Local funds appropriation	\$7,400,000
13	Total all funds appropriation	\$18,855,576
14	Subdivision 11.	
15	MINOT STATE UNIVERSITY	
16	Salaries and wages	\$28,733,664
17	Operating expenses	6,043,525
18	Equipment	917,929
19	Capital improvements	<u>1,050,466</u>
20	Total operating funds	\$36,745,584
21	Less estimated income	<u>11,501,851</u>
22	General fund appropriation	\$25,243,733
23	Local funds appropriation	\$19,003,936
24	Total all funds appropriation	\$55,749,520
25	Subdivision 12.	
26	VALLEY CITY STATE UNIVERSITY	
27	Salaries and wages	\$11,009,411
28	Operating expenses	2,842,167
29	Equipment	323,100
30	Capital improvements	812,334
31	Center for innovation in instruction	299,583

Fifty-sixth  
Legislative Assembly

1	Special initiatives	<u>68,714</u>
2	Total operating funds	\$15,355,309
3	Less estimated income	<u>3,893,786</u>
4	General fund appropriation	\$11,461,523
5	Local funds appropriation	\$8,820,000
6	Total all funds appropriation	\$24,175,309

7           Subdivision 13.

8                                   MINOT STATE UNIVERSITY - BOTTINEAU

9	Salaries and wages	\$3,930,059
10	Operating expenses	1,063,035
11	Equipment	147,500
12	Capital improvements	<u>218,130</u>
13	Total operating funds	\$5,358,724
14	Less estimated income	<u>1,424,817</u>
15	General fund appropriation	\$3,933,907
16	Local funds appropriation	\$2,124,426
17	Total all funds appropriation	\$7,483,150

18           Subdivision 14.

19                                   NORTH DAKOTA FOREST SERVICE

20	Salaries and wages	\$1,770,118
21	Operating expenses	423,601
22	Equipment	65,011
23	Capital improvements	79,541
24	Grants to centennial trees	<u>147,486</u>
25	Total operating funds	\$2,485,757
26	Less estimated income	<u>859,006</u>
27	General fund appropriation	\$1,626,751
28	Local funds appropriation	\$1,336,082
29	Total all funds appropriation	\$3,821,839

30           Subdivision 15.

31                                   UNIVERSITY OF NORTH DAKOTA MEDICAL CENTER

Fifty-sixth  
Legislative Assembly

1	Salaries and wages	\$32,021,200
2	Operating expenses	7,502,327
3	Equipment	<u>547,915</u>
4	Total operating funds	\$40,071,442
5	Less estimated income	<u>10,812,782</u>
6	General fund appropriation	\$29,258,660
7	Local funds appropriation	\$47,592,145
8	Total all funds appropriation	\$87,663,587
9	Grand total general fund appropriation H.B. 1003	\$328,398,637
10	Grand total estimated income appropriation H.B. 1003	\$172,543,126
11	Grand total local funds appropriation H.B. 1003	\$523,858,540
12	Grand total all funds appropriation H.B. 1003	\$1,024,800,303

13           **SECTION 2. APPROPRIATION TRANSFER.** The higher education contingency and  
14 capital improvements emergency fund, board initiatives, and disabled student services in  
15 subdivision 2 of section 1 must be used for the benefit of the institutions and entities in  
16 subdivisions 2 through 15 of section 1 as determined by the state board of higher education.  
17 The board shall notify the office of management and budget of the allocation of general fund  
18 authority from the higher education contingency and capital improvements emergency fund,  
19 board initiatives, and disabled student services to the various entities and institutions and which  
20 line items in the various institutions and entities must be adjusted.

21           **SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** Operating fund income  
22 received in excess of the estimated income line item appropriated to the entities in section 1 of  
23 this Act which is deposited in their respective operating funds in the state treasury up to the  
24 following amounts is hereby appropriated and may be spent subject to state board of higher  
25 education approval:

26	INSTITUTION	AMOUNT
27	North Dakota university system office	\$425,990
28	Bismarck state college	706,289
29	University of North Dakota - Lake Region	143,970
30	University of North Dakota - Williston	224,310
31	University of North Dakota	5,019,907

Fifty-sixth  
Legislative Assembly

1	North Dakota state university	4,732,776
2	North Dakota state college of science	846,333
3	Dickinson state university	602,255
4	Mayville state university	267,347
5	Minot state university	1,157,210
6	Valley City state university	355,978
7	Minot state university - Bottineau	131,711
8	North Dakota forest service	85,900
9	University of North Dakota medical center	<u>5,947,201</u>
10	Total	\$20,647,177

11 Any additional excess estimated income is hereby appropriated and may be spent only upon  
12 authorization of the emergency commission. Any funds received by the board of higher  
13 education and the entities of the North Dakota university system pursuant to federal acts,  
14 private grants, and other sources not deposited in the operating funds in the state treasury are  
15 hereby appropriated for the period beginning July 1, 1999, and ending June 30, 2001.

16 **SECTION 4. TRANSFER AUTHORITY.** The state board of higher education is  
17 authorized to approve the transfer of funds between line items for each entity included in  
18 section 1 of this Act and shall notify the office of management and budget of each transfer.

19 **SECTION 5. EXEMPTION.** The scholars program, university system contingency fund,  
20 student financial assistance grants, professional student exchange program, native American  
21 scholarships, and operating expenses contained in subdivision 2 of section 1 of chapter 32 of  
22 the 1997 Session Laws are not subject to the provisions of section 54-44.1-11 and any  
23 unexpended funds from these appropriations are available during the biennium beginning  
24 July 1, 1999, and ending June 30, 2001.

25 **SECTION 6. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The state board  
26 of higher education is authorized to adjust or increase full-time equivalent positions as needed,  
27 subject to the availability of funds. The university system shall report any adjustments to the  
28 office of management and budget prior to the submission of the 2001-03 budget request.

29 **SECTION 7. UNEXPENDED GENERAL FUND APPROPRIATIONS - EXCESS**  
30 **INCOME.** Unexpended general fund dollars appropriated to and excess income received by  
31 entities listed in section 1 of chapter 32 of the 1997 Session Laws are not subject to the

1 provisions of section 54-44.1-11 and any unexpended funds from these appropriations or  
2 revenues are available during the biennium beginning July 1, 1999, and ending June 30, 2001,  
3 and may be expended, as directed by the state board of higher education, for capital repairs  
4 and improvements, equipment, and other one-time expenditures.

5 **SECTION 8. PROJECT AUTHORIZATIONS - LOCAL RESPONSIBILITY.** The capital  
6 improvements at Bismarck state college and UND-Lake Region require a minimum local match  
7 as follows:

8 Bismarck state college - music addition	\$200,000
9 UND-Lake Region - auditorium renovation	\$495,000

10 Bismarck state college may, after receiving approval from the budget section, obtain  
11 and utilize any available funds, in addition to the minimum local match of \$200,000, received  
12 from federal, public, private, or other sources which are hereby appropriated to Bismarck state  
13 college to assist in the music addition and related renovations at Bismarck state college.

14 UND-Lake Region may, after receiving approval from the budget section, obtain and  
15 utilize any available funds, in addition to the minimum local match of \$495,000, received from  
16 federal, public, private, or other sources which are hereby appropriated to UND-Lake Region to  
17 assist in the auditorium renovation at UND-Lake Region.

18 **SECTION 9. BOND ISSUANCE - PURPOSES.** The state board of higher education, in  
19 accordance with chapter 15-55, may issue and sell self-liquidating, tax-exempt bonds in an  
20 amount not exceeding \$4,750,000 for the purpose of financing capital projects at institutions  
21 under the control of the board, including an amount not exceeding \$250,000 for student union  
22 improvements at Bismarck state college and \$4,500,000 for a health and wellness center at  
23 North Dakota state university. Bonds issued under the provisions of this Act may not become a  
24 general obligation of the state of North Dakota.

25 **SECTION 10. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from  
26 the sale of bonds authorized under section 9, or so much of the sum as may be necessary, in  
27 the amount of \$250,000 for the student union improvements at Bismarck state college and  
28 \$4,500,000 for a health and wellness center at North Dakota state university and other  
29 available funds from other sources are hereby appropriated for these projects. Any  
30 unexpended balance from the sale of bonds must be placed in a sinking fund for the retirement  
31 of the authorized bonds.

1           **SECTION 11. LOCAL FUNDS APPROPRIATED.** Any local funds beyond the local  
2 funds appropriated in Section 1 of this Act are hereby appropriated for the biennium beginning  
3 July 1, 1999, and ending June 30, 2001, and may be spent subject to approval of the state  
4 board of higher education and reported to the budget section of the legislative council.

5           **SECTION 12. SERVICE, ACCESS, GROWTH, AND EMPOWERMENT.** Prior to  
6 purchasing goods or contracting for services for the service, access, growth, and empowerment  
7 project, the state board of higher education must receive permission from either the legislative  
8 assembly or the budget section of the legislative council. Information provided must include a  
9 business plan project.

10          **SECTION 13. NDSU/NDSCS SKILLS TRAINING CENTER.** The general fund moneys  
11 provided by the 1999 legislative assembly for the skills training center may only be used for  
12 renovations to the skills training center. Any general fund moneys provided for the skills  
13 training center for the 1999-2001 biennium are intended to be the final direct general fund  
14 support provided by the legislative assembly, and no direct general fund support may be  
15 provided for the operations of or renovations or additions to the skills training center after the  
16 1999-2001 biennium.

17          **SECTION 14. PROGRAM COORDINATION AND ACCREDITATION.** The legislative  
18 assembly urges the state board of higher education to carefully review requests by state  
19 institutions of higher education applying for accreditation of programs that have already been  
20 accredited at other state institutions. The board should consider student access and quality  
21 issues as well as costs when reviewing such requests. Whenever such a request is made or  
22 accreditation is granted, the board is encouraged to direct the campuses offering similar  
23 programs to cooperate in jointly offering the similar programs by using the staffs and resources  
24 of the other campuses. Also, the legislative assembly expresses its strong support for the  
25 board to continue implementing policies and procedures to ensure coordination and  
26 cooperation between campuses where similar programs are offered.

27          **SECTION 15. TECHNOLOGY POOL.** The technology pool amount in subdivision 1 of  
28 section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through  
29 15 of section 1 as determined by the board of higher education. Technology funding  
30 allocations are to be made based on historic funding, the higher education computer network  
31 strategic plan, base funding for higher education computer network computer center

1 operations, and base funding for interactive video network and on-line Dakota information  
2 network operations.

3 **SECTION 16. CRITICAL SALARY POOL.** The critical salary pool amount in  
4 subdivision 1 of section 1 must be used for the benefit of the institutions and entities in  
5 subdivisions 2 through 15 of section 1 as determined by the board of higher education. When  
6 making allocations from the critical salary pool in subdivision 1 of section 1, the state board of  
7 higher education shall allocate funds to address additional salary increases beyond legislative  
8 appropriations, for market and equity issues.

9 **SECTION 17. EQUITY AND SPECIAL NEEDS POOL.** The equity and special needs  
10 pool in subdivision 1 of section 1 must be used for the benefit of the institutions and entities in  
11 subdivisions 3 through 13 of section 1 as determined by the board of higher education. When  
12 making allocations from the equity and special needs pool in subdivision 1 of section 1, the  
13 board of higher education shall allocate the funds to address equity funding issues and special  
14 academic program needs of the entities under its control.

15 **SECTION 18. MINOT STATE UNIVERSITY - BOTTINEAU INFORMATION**  
16 **TECHNOLOGY INITIATIVE.** The board of higher education is strongly encouraged to consider  
17 allocating \$200,000 from either the equity and special needs pool or the board initiatives  
18 funding to Minot state university - Bottineau for Minot state university - Bottineau's information  
19 technology initiative.

20 **SECTION 19. LEGISLATIVE COUNCIL INTERIM STUDY OF HIGHER EDUCATION**  
21 **FUNDING.** The legislative council shall consider studying higher education funding during the  
22 1999-2000 interim. If conducted, the study should solicit input from the governor, board of  
23 higher education, executive branch, university system campuses, and representatives of  
24 business and industry. The study should address the expectations of the North Dakota  
25 university system in meeting the state's needs in the twenty-first century, the funding  
26 methodology needed to meet these expectations and needs, and an accountability system and  
27 reporting methodology for the university system. The legislative council shall report its findings  
28 and recommendations, together with any legislation required to implement the  
29 recommendations, to the fifty-seventh legislative assembly.

30 **SECTION 20. LEGISLATIVE COUNCIL STUDY - TRIBAL COLLEGES.** The  
31 legislative council shall consider studying the tribally controlled colleges in this state and the

1 United Tribes technical college, including a review of funding sources and the number of Indian  
2 and non-Indian students attending each college, for the purpose of determining the desirability  
3 and feasibility of a grant program to assist the colleges in providing education to students who  
4 are less than one-quarter Indian. The legislative council shall report its findings and  
5 recommendations, together with any legislation required to implement the recommendations, to  
6 the fifty-seventh legislative assembly.

7 **SECTION 21. UTILITY SAVINGS.** Any utility savings realized during the 1999-2001  
8 biennium by the entities listed in section 1 of this Act must be used for maintenance or capital  
9 project expenditures.

10 **SECTION 22. LAND BOARD DISTRIBUTIONS.** Notwithstanding the provisions of  
11 section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands  
12 shall distribute to the appropriate entities in section 1 of this Act all income from permanent  
13 funds managed for the benefit of those institutions.

14 **SECTION 23. PARTICIPATION IN MIDWESTERN REGIONAL HIGHER EDUCATION**  
15 **COMPACT STUDENT EXCHANGE PROGRAM.** Notwithstanding section 24 of this Act, it is  
16 the intent of the fifty-sixth legislative assembly that during the 1999-2001 biennium North  
17 Dakota's membership in the midwestern regional higher education compact may not include  
18 participation in the compact's student exchange program. The legislative council shall consider  
19 including a review of North Dakota's participation in the student exchange program portion of  
20 the midwestern regional higher education compact in the study provided for in section 19 of this  
21 Act.

22 **SECTION 24.** A new chapter to title 15 of the North Dakota Century Code is created  
23 and enacted as follows:

24 **Midwestern regional higher education compact.** The midwestern regional higher  
25 education compact is adopted as follows:

26 Article I. Purpose

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

31 Article II. The Commission

- 1           1.    The compacting states create the midwestern higher education commission,  
2                    hereinafter called the commission. The commission is a body corporate of each  
3                    compacting state. The commission has all the responsibilities, powers, and duties  
4                    set forth in this chapter, including the power to sue and be sued, and any  
5                    additional powers conferred upon it by subsequent action of the respective  
6                    legislative assemblies of the compacting states in accordance with the terms of  
7                    this compact.
- 8           2.    The commission consists of the following five resident members from each state:  
9                    the governor or the governor's designee who serves during the tenure of office of  
10                   the governor; two legislators, one from each house, except for Nebraska, which  
11                   may appoint two legislators from its legislative assembly, who serve two-year  
12                   terms and are appointed by the appropriate appointing authority in each house of  
13                   the legislative assembly; and two other at large members, at least one of whom is  
14                   to be selected from the field of higher education. The at large members are to be  
15                   appointed as provided by the laws of the appointing state. One of the two at large  
16                   members initially appointed in each state serves a two-year term. The other, and  
17                   any regularly appointed successor to either at large member, serves a four-year  
18                   term. All vacancies are to be filled in accordance with the laws of the appointing  
19                   states. Any commissioner appointed to fill a vacancy serves until the end of the  
20                   incomplete term.
- 21          3.    The commission shall select annually, from among its members, a chairman, a  
22                   vice chairman, and a treasurer.
- 23          4.    The commission shall appoint an executive director who serves at its pleasure and  
24                   who is secretary to the commission. The treasurer, the executive director, and  
25                   other personnel as the commission determines must be bonded in the amounts  
26                   required by the commission.
- 27          5.    The commission shall meet at least once each calendar year. The chairman may  
28                   call additional meetings and upon the request of a majority of the commission  
29                   members of three or more compacting states, shall call additional meetings. The  
30                   commission shall give public notice of all meetings. All meetings must be open to  
31                   the public.

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

5                           Article III. Powers and Duties of the Commission

- 6           1. The commission shall adopt bylaws governing its management and operations.  
7           2. Notwithstanding the laws of any compacting state, the commission shall provide  
8           for the personnel policies and programs of the compact in its bylaws.  
9           3. The commission shall submit a budget to the governor and legislative assembly of  
10          each compacting state at the time and for the period required by each state. The  
11          budget must contain recommendations regarding the amount to be appropriated  
12          by each compacting state.  
13          4. The commission shall report annually to the legislative assemblies and governors  
14          of the compacting states, to the midwestern governors' conference, and to the  
15          midwestern legislative conference of the council of state governments regarding  
16          the activities of the commission during the preceding year. The reports must  
17          include any recommendations that have been adopted by the commission.  
18          5. The commission may borrow, accept, or contract for the services of personnel from  
19          any state or from the United States, or from any subdivision or agency thereof,  
20          from any interstate agency, or from any person.  
21          6. The commission may accept for any of its purposes and functions under the  
22          compact donations and grants of money, equipment, supplies, materials, and  
23          services, conditional or otherwise, from any state or the United States or from any  
24          subdivision or agency thereof, from an interstate agency, or from any person, and  
25          may receive, use, and dispose of the same.  
26          7. The commission may enter agreements with any other interstate education  
27          organization or agency, with institutions of higher education located in nonmember  
28          states, and with any of the various states to provide adequate programs and  
29          services in higher education for the citizens of the respective compacting states.  
30          After negotiations with interested institutions and interstate organizations or

1 agencies, the commission shall determine the cost of providing the programs and  
2 services in higher education for use in these agreements.

3 8. The commission may establish and maintain offices in one or more of the  
4 compacting states.

5 9. The commission may establish committees and hire staff as necessary to carry out  
6 its functions.

7 10. The commission may provide for actual and necessary expenses for the  
8 attendance of its members at official meetings of the commission or of its  
9 designated committees.

#### 10 Article IV. Activities of the Commission

11 1. The commission shall collect data on the long-range effects of the compact on  
12 higher education. By the end of the fourth year from the effective date of the  
13 compact and every two years thereafter, the commission shall review its  
14 accomplishments and make recommendations to the governors and legislative  
15 assemblies of the compacting states regarding continuance of the compact.

16 2. The commission shall study higher education issues that are of particular concern  
17 to the midwestern region. The commission also shall study the need for higher  
18 education programs and services in the compacting states and the resources for  
19 meeting those needs. The commission shall prepare reports, on its research, for  
20 presentation to the governors and legislative assemblies of the compacting states,  
21 as well as to other interested parties. In conducting the studies, the commission  
22 may confer with any national or regional planning body. The commission may  
23 draft and recommend to the governors and legislative assemblies of the various  
24 compacting states suggested legislation addressing issues in higher education.

25 3. The commission shall study the need for the provision of adequate programs and  
26 services in higher education, such as undergraduate, graduate, or professional  
27 student exchanges in the region. If a need for exchange in a field is apparent, the  
28 commission may enter agreements with any institution of higher education and  
29 with any compacting state to provide programs and services in higher education  
30 for the citizens of the respective compacting states. After negotiating with  
31 interested institutions and the compacting states, the commission shall determine

1 the cost of providing the programs and services in higher education for use in its  
2 agreements. The contracting states shall contribute funds not otherwise provided,  
3 as determined by the commission, to carry out the agreements. The commission  
4 may also serve as the administrative and fiscal agent in carrying out agreements  
5 for higher education programs and services.

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

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

#### 10 Article V. Finance

11 1. The compacting states will appropriate the amount necessary to finance the  
12 general operations of the commission, not otherwise provided for, when authorized  
13 by their respective legislative assemblies. The amount must be apportioned  
14 equally among the compacting states.

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

19 3. The commission shall keep accurate accounts of its receipts and disbursements.  
20 The receipts and disbursements of the commission are subject to the audit and  
21 accounting procedures established under its bylaws. All receipts and  
22 disbursements handled by the commission must be audited yearly by a certified or  
23 licensed public accountant and the report of the audit must be included in and  
24 become part of the annual report of the commission.

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

#### 28 Article VI. Eligible Parties and Entry Into Force

29 1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri,  
30 Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to

1           become parties to this compact. Additional states may be eligible if approved by a  
2           majority of the compacting states.

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

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

7                           Article VII. Withdrawal, Default, and Termination

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

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

25                           Article VIII. Severability and Construction

26          The provisions of this compact are severable, and if any phrase, clause, sentence, or  
27          provision of this compact is declared to be contrary to the constitution of any compacting state  
28          or of the United States or its applicability to any person or circumstance is held invalid, the  
29          validity of the remainder of the compact and its applicability to any person or circumstance may  
30          not be affected. If the compact is found to be contrary to the constitution of any compacting  
31          state, the compact remains in full force and effect as to the remaining states and in full force

1 and effect as to the state affected as to all severable matters. The provisions of the compact  
2 must be liberally construed to effectuate the purpose of the compact.

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

4 1. The members of the midwestern higher education commission representing this  
5 state are:

6 a. The governor or the governor's designee.

7 b. One member of the senate and one member of the house of representatives,  
8 appointed by the chairman of the legislative council.

9 c. Two at large members, one of whom must be knowledgeable about the field  
10 of higher education, appointed by the governor.

11 2. The term of each legislative appointee is two years. One initial at large member  
12 must be appointed for a term of two years and the other for a term of four years.  
13 Thereafter, the term of each at large member is four years.

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

17 **SECTION 25. EMERGENCY.** The capital improvements line items contained in  
18 subdivisions 2 through 14 of section 1 of this Act and the skills training center line item  
19 contained in subdivision 7 of section 1 of this Act are declared to be emergency measures, and  
20 those funds are available immediately upon filing of this Act with the secretary of state.  
21 Sections 9 and 10 of this Act are declared to be emergency measures.