

**SECOND ENGROSSMENT
with House Amendments
REENGROSSED SENATE BILL NO. 2003**

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 create and enact six new sections to chapter 15-10 of the North Dakota
3 Century Code, relating to provisions of matching grants for the advancement of postsecondary
4 academics; to amend and reenact sections 15-10-47, 15-52-01, 15-52-03, 15-52-04, 15-52-05,
5 15-52-09, 15-52-31, and 15-62.2-02, subsection 2 of section 15-70-04, and section 54-44.1-11
6 of the North Dakota Century Code, relating to construction project variance reports, the state
7 medical center, student financial assistance grants, tribally controlled community college grants,
8 and the cancellation of unexpended appropriations; to provide an exemption; to provide for
9 transfer of funds; to authorize the state board of higher education to issue and sell bonds for
10 capital projects; to provide for budget section reports; to provide for a legislative management
11 report; to provide an expiration date; and to declare an emergency.

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

13 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
14 as may be necessary, are appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, and from special funds derived from federal funds and
16 other income to the North Dakota university system office and to the various entities and
17 institutions under the supervision of the state board of higher education for the purpose of
18 defraying the expenses of the North Dakota university system office and to the various entities
19 for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

20 Subdivision 1.

21 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22			
23			
24	Capital assets - bond payments	\$12,204,769	(\$1,768,724) \$10,436,045

Sixty-third
Legislative Assembly

1	Competitive research program	7,050,000	0	7,050,000
2	System governance	7,349,806	4,400,363	11,750,169
3	Title II	1,006,472	0	1,006,472
4	System information technology services	36,006,667	2,375,831	38,382,498
5	Professional liability insurance	800,000	(800,000)	0
6	Student financial assistance grants	19,025,594	2,220,085	21,245,679
7	Professional student exchange program	3,321,438	953,577	4,275,015
8	Academic and technical education	10,000,000	3,700,000	13,700,000
9	scholarships			
10	Two-year campus marketing	800,000	0	800,000
11	Scholars program	2,113,584	0	2,113,584
12	Native American scholarships	574,267	75,000	649,267
13	Tribally controlled community college grants	1,000,000	0	1,000,000
14	Education incentive programs	3,176,344	172,656	3,349,000
15	Deferred maintenance pool	0	10,000,000	10,000,000
16	Master plan and space utilization study	0	1,000,000	1,000,000
17	Student mental health	0	282,520	282,520
18	Education challenge fund	0	30,000,000	30,000,000
19	Campus security pool	0	2,500,000	2,500,000
20	Performance funding pool	0	5,000,000	5,000,000
21	Capital projects pool	<u>0</u>	<u>176,000,000</u>	<u>176,000,000</u>
22	Total all funds	\$104,428,941	\$236,111,308	\$340,540,249
23	Less estimated income	<u>3,056,229</u>	<u>15,243,683</u>	<u>18,299,912</u>
24	Total general fund	\$101,372,712	\$220,867,625	\$322,240,337
25	Full-time equivalent positions	100.31	12.60	112.91
26	Subdivision 2.			
27	BISMARCK STATE COLLEGE			
28			Adjustments or	
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Operations	\$27,628,314	\$3,577,868	\$31,206,182
31	Capital assets	<u>417,673</u>	<u>6,000,000</u>	<u>6,417,673</u>

Sixty-third
Legislative Assembly

1	Total all funds	\$28,045,987	\$9,577,868	\$37,623,855
2	Less estimated income	<u>0</u>	<u>6,600,000</u>	<u>6,600,000</u>
3	Total general fund	\$28,045,987	\$2,977,868	\$31,023,855
4	Full-time equivalent positions	126.96	0.00	126.96

5 Subdivision 3.

6 LAKE REGION STATE COLLEGE

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$9,003,614	\$2,588,035	\$11,591,649
10	Capital assets	<u>155,367</u>	<u>0</u>	<u>155,367</u>
11	Total all funds	\$9,158,981	\$2,588,035	\$11,747,016
12	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
13	Total general fund	\$9,158,981	\$2,588,035	\$11,747,016
14	Full-time equivalent positions	40.22	0.00	40.22

15 Subdivision 4.

16 WILLISTON STATE COLLEGE

17			Adjustments or	
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Operations	\$8,849,685	\$839,482	\$9,689,167
20	Capital assets	<u>197,801</u>	<u>0</u>	<u>197,801</u>
21	Total all funds	\$9,047,486	\$839,482	\$9,886,968
22	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
23	Total general fund	\$9,047,486	\$839,482	\$9,886,968
24	Full-time equivalent positions	44.15	0.00	44.15

25 Subdivision 5.

26 UNIVERSITY OF NORTH DAKOTA

27			Adjustments or	
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$140,457,484	\$4,458,585	\$144,916,069
30	Capital assets	<u>4,411,566</u>	<u>97,237,262</u>	<u>101,648,828</u>
31	Total all funds	\$144,869,050	\$101,695,847	\$246,564,897

Sixty-third
Legislative Assembly

1	Less estimated income	<u>0</u>	<u>96,487,262</u>	<u>96,487,262</u>
2	Total general fund	\$144,869,050	\$5,208,585	\$150,077,635
3	Full-time equivalent positions	642.20	(8.60)	633.60
4	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Operations	\$125,015,305	\$9,496,422	\$134,511,727
9	Capital assets	<u>2,732,244</u>	<u>39,819,356</u>	<u>42,551,600</u>
10	Total all funds	\$127,747,549	\$49,315,778	\$177,063,327
11	Less estimated income	<u>0</u>	<u>39,819,356</u>	<u>39,819,356</u>
12	Total general fund	\$127,747,549	\$9,496,422	\$137,243,971
13	Full-time equivalent positions	495.21	(4.00)	491.21
14	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$34,186,542	\$1,585,812	\$35,772,354
19	Capital assets	<u>1,012,379</u>	<u>1,350,000</u>	<u>2,362,379</u>
20	Total all funds	\$35,198,921	\$2,935,812	\$38,134,733
21	Less estimated income	<u>0</u>	<u>1,350,000</u>	<u>1,350,000</u>
22	Total general fund	\$35,198,921	\$1,585,812	\$36,784,733
23	Full-time equivalent positions	171.87	0.00	171.87
24	Subdivision 8.			

DICKINSON STATE UNIVERSITY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Operations	\$22,383,539	\$3,084,221	\$25,467,760
29	Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
30	Total all funds	\$22,792,617	\$3,084,221	\$25,876,838
31	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>

Sixty-third
Legislative Assembly

1	Total general fund	\$22,792,617	\$3,084,221	\$25,876,838
2	Full-time equivalent positions	100.32	0.00	100.32
3	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$12,775,788	\$931,742	\$13,707,530
8	Capital assets	<u>358,992</u>	<u>0</u>	<u>358,992</u>
9	Total all funds	\$13,134,780	\$931,742	\$14,066,522
10	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
11	Total general fund	\$13,134,780	\$931,742	\$14,066,522
12	Full-time equivalent positions	62.78	0.00	62.78
13	Subdivision 10.			

MINOT STATE UNIVERSITY

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$37,838,974	\$2,073,490	\$39,912,464
18	Capital assets	<u>899,620</u>	<u>11,801,785</u>	<u>12,701,405</u>
19	Total all funds	\$38,738,594	\$13,875,275	\$52,613,869
20	Less estimated income	<u>0</u>	<u>11,801,785</u>	<u>11,801,785</u>
21	Total general fund	\$38,738,594	\$2,073,490	\$40,812,084
22	Full-time equivalent positions	201.76	0.00	201.76
23	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$17,694,741	\$2,000,411	\$19,695,152
28	Capital assets	<u>408,319</u>	<u>4,806,837</u>	<u>5,215,156</u>
29	Total all funds	\$18,103,060	\$6,807,248	\$24,910,308
30	Less estimated income	<u>0</u>	<u>4,806,837</u>	<u>4,806,837</u>

Sixty-third
Legislative Assembly

1	Total general fund	\$18,103,060	\$2,000,411	\$20,103,471
2	Full-time equivalent positions	97.29	0.00	97.29
3	Subdivision 12.			
4	DAKOTA COLLEGE AT BOTTINEAU			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$6,489,750	\$833,843	\$7,323,593
8	Capital assets	<u>115,507</u>	<u>7,600,789</u>	<u>7,716,296</u>
9	Total all funds	\$6,605,257	\$8,434,632	\$15,039,889
10	Less estimated income	<u>0</u>	<u>7,600,789</u>	<u>7,600,789</u>
11	Total general fund	\$6,605,257	\$833,843	\$7,439,100
12	Full-time equivalent positions	36.12	0.00	36.12
13	Subdivision 13.			
14	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES			
15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$47,747,971	\$8,214,806	\$55,962,777
18	Total all funds	\$47,747,971	\$8,214,806	\$55,962,777
19	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
20	Total general fund	\$47,747,971	\$8,214,806	\$55,962,777
21	Full-time equivalent positions	156.55	0.00	156.55
22	Subdivision 14.			
23	NORTH DAKOTA FOREST SERVICE			
24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Operations	\$5,514,681	\$686,643	\$6,201,324
27	Capital assets	<u>97,791</u>	<u>788,419</u>	<u>886,210</u>
28	Total all funds	\$5,612,472	\$1,475,062	\$7,087,534
29	Less estimated income	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>
30	Total general fund	\$3,962,472	\$1,475,062	\$5,437,534
31	Full-time equivalent positions	28.00	1.00	29.00

1 Subdivision 15.

2 BILL TOTAL

3		Adjustments or		
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Grand total all funds	\$611,231,666	\$445,887,116	\$1,057,118,782
6	Grand total special funds	<u>4,706,229</u>	<u>183,709,712</u>	<u>188,415,941</u>
7	Grand total general fund	\$606,525,437	\$262,177,404	\$868,702,841

8 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

9 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time

10 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and

11 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

12	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
13	Capital projects - general fund	\$47,136,000	\$1,535,000
14	Capital projects - other funds	105,065,555	167,866,029
15	Capital projects funding pool - general fund	0	160,000,000
16	Capital projects funding pool - other funds	0	16,000,000
17	Dickinson state university operating funds	900,000	800,000
18	Minot state university flood recovery	0	2,000,000
19	Special assessments payments	819,357	0
20	Mayville state university drainage study	55,000	0
21	UND school of medicine space utilization study	100,000	0
22	Williston state college operating funds	2,000,000	1,000,000
23	Emerald ash borer program	250,000	0
24	Deferred maintenance pool	0	10,000,000
25	Education challenge fund	0	30,000,000
26	Health care workforce initiative	0	7,414,806
27	Master plan and space utilization study	<u>0</u>	<u>1,000,000</u>
28	Total all funds	\$156,325,912	\$397,615,835
29	Total other funds	<u>105,065,555</u>	<u>183,866,029</u>
30	Total general fund	\$51,260,357	\$213,749,806

1 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
2 2015-17 biennium. The North Dakota university system shall report to the appropriations
3 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
4 biennium beginning July 1, 2013, and ending June 30, 2015.

5 **SECTION 3. AMENDMENT.** Section 15-10-47 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15-10-47. Construction projects at institutions of higher education - Variance reports.**

- 8 1. Whenever any new construction, renovation, or repair, valued at more than two
9 hundred fifty thousand dollars is underway on the campus of an institution of higher
10 education under the control of the state board of higher education, the board shall
11 provide ~~monthly~~semiannual project variance reports to the director of the office of
12 management and budget. Each report must include:
- 13 a. The name or a description of the project;
 - 14 b. The expenditure authorized by the legislative assembly;
 - 15 c. The amount of the original contract;
 - 16 d. The amount of any change orders;
 - 17 e. The amount of any potential or anticipated change orders;
 - 18 f. The sum of subdivisions c through e and the amount by which that sum varies
19 from the expenditure authorized by the legislative assembly;
 - 20 g. The total expended for the project to date; and
 - 21 h. The scheduled date of completion as noted in the original contract and the latest
22 available scheduled date of completion.
- 23 2. The state board of higher education also shall provide to the director of the office of
24 management and budget, at the same time as the project variance report required by
25 subsection 1:
- 26 a. A brief description of each change order included in subdivision d of
27 subsection 1; and
 - 28 b. A list of each public and nonpublic entity that has a contractually reflected
29 financial obligation with respect to the project.

1 3. The office of management and budget shall review the information received under this
2 section and provide reports to the budget section of the legislative management upon
3 request.

4 **SECTION 4.** A new section to chapter 15-10 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Advancement of academics - Matching grants - University of North Dakota and North**
7 **Dakota state university.**

- 8 1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the
9 state board of higher education shall award one dollar in matching grants for
10 every two dollars raised by the institutional foundations of the university of North
11 Dakota and North Dakota state university for projects dedicated exclusively to the
12 advancement of academics.
- 13 b. To be eligible for a matching grant, an institution must demonstrate that:
- 14 (1) Its foundation has raised at least fifty thousand dollars in cash or monetary
15 pledges for a qualifying project; and
- 16 (2) The project has been approved by the grant review committee established
17 in section 7 of this Act.
- 18 c. The board may award up to ten million dollars in matching grants to each
19 institution.
- 20 2. a. If any available dollars have not been awarded by the board before January 1,
21 2015, in accordance with subsection 1, either the university of North Dakota or
22 North Dakota state university may apply for an additional matching grant.
- 23 b. An application submitted under this subsection must meet the same criteria as an
24 original application.
- 25 c. The board shall consider each application submitted under this subsection in
26 chronological order.
- 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.

30 **SECTION 5.** A new section to chapter 15-10 of the North Dakota Century Code is created
31 and enacted as follows:

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

- 3 1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the
4 state board of higher education shall award one dollar in matching grants for
5 every two dollars raised by the institutional foundations of Bismarck state college,
6 Dakota college at Bottineau, Dickinson state university, Lake Region state
7 college, Mayville state university, Minot state university, North Dakota state
8 college of science, Valley City state university, and Williston state college for
9 projects dedicated exclusively to the advancement of academics.
- 10 b. To be eligible for a matching grant, an institution must demonstrate that:
- 11 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
12 monetary pledges for a qualifying project; and
- 13 (2) The project has been approved by the grant review committee established
14 in section 7 of this Act.
- 15 c. The board may award up to one million dollars in matching grants to each
16 institution.
- 17 2. a. If any available dollars have not been awarded by the board before January 1,
18 2015, in accordance with subsection 1, any institution listed in subsection 1 may
19 apply for an additional matching grant.
- 20 b. An application submitted under this subsection must meet the same criteria as an
21 original application.
- 22 c. The board shall consider each application submitted under this subsection in
23 chronological order.
- 24 d. If the remaining dollars are insufficient to provide a matching grant in the amount
25 of one dollar for every two dollars raised by the institutional foundation, the board
26 shall award a lesser amount.

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

1 **Liability for pledged amount.**

2 If the state board of higher education provides grant funds under this Act to an institution on
3 the basis of a monetary pledge and if the amount forthcoming is less than the amount pledged,
4 the institutional foundation is liable to the institution for any shortfall.

5 **SECTION 7.** A new section to chapter 15-10 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Grant review committee.**

8 1. There is created a grant review committee consisting of:

- 9 a. The governor, or the governor's designee, who shall serve as the chairman;
10 b. Two members of the house of representatives appropriations committee,
11 selected by the majority leader of the house of representatives;
12 c. Two members of the senate appropriations committee, selected by the majority
13 leader of the senate;
14 d. Two members appointed by the governor, with the consent of the legislative
15 management; and
16 e. Two members appointed by the state board of higher education, with the consent
17 of the legislative management.

18 2. The gubernatorial appointees must have an understanding of higher education's role
19 in advancing agriculture, the arts, commerce and finance, manufacturing, mineral
20 extraction, natural resources, and the professions.

21 3. The grant review committee shall establish its rules of operation and procedure and
22 shall develop and publish the criteria upon which all requests for matching grants will
23 be reviewed.

24 4. A request for a matching grant must be presented to the committee by the president of
25 the institution. The president may be accompanied by other individuals having an
26 expertise with respect to the project.

27 **SECTION 8.** A new section to chapter 15-10 of the North Dakota Century Code is created
28 and enacted as follows:

29 **Grant review committee - Compensation.**

30 Each member of the grant review committee is entitled to receive compensation in the
31 amount of one hundred thirty-five dollars per day plus reimbursement for expenses as provided

1 by law for state officers if the member is attending meetings or performing duties directed by the
2 committee. The compensation provided for in this section may not be paid to any member of the
3 committee who receives a salary or other compensation as an employee or official of this state
4 if the individual is serving on the committee by virtue of the individual's state office or state
5 employment.

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

8 **Definition.**

9 For purposes of this Act, projects dedicated to the advancement of enhanced academics
10 include investments in research, scholarships, technology, endowed chairs, and investments in
11 educational infrastructure, including new capital construction projects that conform with the
12 university system campus master plan and space utilization study.

13 **SECTION 10. AMENDMENT.** Section 15-52-01 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15-52-01. School of medicine and health sciences.**

16 The primary purpose of the university of North Dakota school of medicine and health
17 sciences is to educate physicians and other health professionals for subsequent service in
18 North Dakota and to enhance the quality of life ~~in North Dakota~~ of its people. Other purposes
19 include the discovery of knowledge that benefits the people of this state and enhances the
20 quality of their lives.

21 **SECTION 11. AMENDMENT.** Section 15-52-03 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **15-52-03. School of medicine and health sciences advisory council - Members, terms,**
24 **meetings.**

- 25 1. To assure the proper coordination of the university of North Dakota school of medicine
26 and health sciences with all other health activities of the state, a permanent school of
27 medicine and health sciences advisory council is established to perform the duties in
28 section 15-52-04.
- 29 2. The council consists of fifteen members:

1 **15-52-04. Duties of council.**

2 1. The advisory council, in consultation with the school of medicine and health sciences
3 and the other agencies, associations, and institutions represented on the advisory
4 council, shall study and make recommendations regarding the strategic plan,
5 programs, and facilities of the school of medicine and health sciences in support of its
6 purpose as defined in section 15-52-01.

7 2. Biennially, the advisory council shall submit a report, together with its
8 recommendations, to the agencies, associations, and institutions represented on the
9 advisory council, to the university of North Dakota, and to the legislative council.

10 3. a. The report must describe the advisory council's recommendations regarding the
11 strategic plan, programs, and facilities of the school of medicine and health
12 sciences as developed under subsection 1. The recommendations for
13 implementing strategies through the school of medicine and health sciences or
14 other agencies and institutions must:

15 (1) Address the health care needs of the people of the state; and

16 (2) Provide information regarding the state's health care workforce needs; and

17 (3) Provide information that specifies the contributions that the university of
18 North Dakota school of medicine and health sciences and the residency
19 training programs in the state are making to meet the health care provider
20 workforce needs of the state. Such information must include data regarding:

21 (a) The effectiveness of activities conducted throughout the state relating
22 to the recruitment and progression of students into medical school
23 and into the health care provider workforce;

24 (b) Class characteristics of the medical school matriculants, specifically to
25 include a description of their geographic background;

26 (c) Residency choices of medical school graduates;

27 (d) Practice location choices of graduates of North Dakota residencies;
28 and

29 (e) Any other relevant information that the university of North Dakota
30 school of medicine and health sciences advisory council determines
31 to be important and useful in assessing the degree of success of the

1 university of North Dakota school of medicine and health sciences in
2 meeting the health care workforce needs of the state as specified in
3 section 15-52-01.

4 b. The recommendations required under subdivision a may address:

- 5 (1) Medical education and training;
6 (2) The recruitment and retention of physicians and other health care
7 professionals;
8 (3) Factors influencing the practice environment for physicians and other health
9 care professionals;
10 (4) Access to health care;
11 (5) Patient safety;
12 (6) The quality of health care and the efficiency of its delivery; and
13 (7) Financial challenges in the delivery of health care.

14 4. The council may consult with any individual or entity in performing its duties under this
15 section.

16 **SECTION 13. AMENDMENT.** Section 15-52-05 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **15-52-05. Facilities.**

19 The university authorities shall make the facilities of the university of North Dakota school of
20 medicine and health sciences available to all agencies of the state, federal, and local
21 governments engaged in health and welfare activities to the fullest extent possible within the
22 limits of a complete and coordinated program for the use thereof on terms commensurate with
23 the cost of services rendered and facilities furnished. The work of the school of medicine and
24 health sciences must be coordinated with the work of the other departments of the university of
25 North Dakota. Means must be provided whereby regularly enrolled students in other schools or
26 departments of the university of North Dakota may, upon approval of the dean of such other
27 school or department, enroll in elective courses in the medical school and receive credit therefor
28 in the school or department in which they are regularly enrolled, subject to such policy and
29 procedures as may be established by the university of North Dakota and the state board of
30 higher education. Medical students may enroll in other departments and schools. Such action
31 must be taken as may serve to make both the school of medicine and health sciences and the

1 other departments and schools of the university of North Dakota more efficient and responsive
2 to needs of the people through the mutual interchange of facilities, and service, wherever
3 possible.

4 **SECTION 14. AMENDMENT.** Section 15-52-09 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15-52-09. Expenditure of proceeds of one-mill levy authorized - Limitation.**

7 The proceeds of the one-mill tax levy established by section 10 of article X of the
8 Constitution of North Dakota, together with any other funds that may be received by the state
9 treasurer, from time to time, for the benefit of the ~~North Dakota state medical center~~university of
10 North Dakota school of medicine and health sciences, must be expended to establish, develop,
11 and maintain the university of North Dakota school of medicine and health sciences, as
12 provided in this chapter, by the issuance of state warrants drawn on such funds by the director
13 of the office of management and budget.

14 **SECTION 15. AMENDMENT.** Section 15-52-31 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **15-52-31. Admission of students - Qualifications.**

17 The faculty of the school of medicine and health sciences at the university of North Dakota
18 may, with the advice of the school of medicine and health sciences advisory council and with
19 the approval of the state board of higher education and in accordance with applicable
20 accreditation requirements as specified by the liaison committee on medical education, adopt
21 such rules and regulations governing the education and residency qualifications of applicants
22 for admission to the school of medicine and health sciences as it deems necessary and proper
23 to carry out its purpose as provided in section 15-52-01.

24 **SECTION 16. AMENDMENT.** Section 15-62.2-02 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15-62.2-02. State board of higher education - Powers and duties.**

27 The state board of higher education shall:

- 28 1. Administer the North Dakota student financial assistance program and the North
29 Dakota scholars program and adopt functional rules regarding the eligibility and
30 selection of grant and scholarship recipients.

- 1 2. Determine the amount of individual grants, which may not exceed one thousand
2 ~~five~~six hundred ~~fifty~~ dollars per recipient per academic year, under the North Dakota
3 student financial assistance program.
- 4 3. For the North Dakota student financial assistance program, adopt criteria for
5 substantial need, based upon the ability of the parents or guardian to contribute
6 toward the applicant's educational expenses.
- 7 4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary
8 reports.
- 9 5. Apply for, receive, expend, and administer granted moneys from federal or private
10 sources.

11 **SECTION 17. AMENDMENT.** Subsection 2 of section 15-70-04 of the North Dakota
12 Century Code is amended and reenacted as follows:

- 13 2. If an application is approved, the state board of higher education shall distribute to the
14 tribally controlled community college, during each year of the biennium, an amount
15 equivalent to the most recent per student payment provided in accordance with the
16 Tribally Controlled Colleges and Universities Assistance Act of 1978 [25 U.S.C. 20] for
17 each nonbeneficiary student who is a resident of the state. If the amount appropriated
18 is insufficient to meet the requirements of this section, the board shall prorate the
19 amount to be distributed. The board may distribute no more than one-half of the
20 biennial legislative appropriation provided for grants under this section during the first
21 year of the biennium.

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

24 **54-44.1-11. (Effective through July 31, 2013~~2015~~) Office of management and budget to**
25 **cancel unexpended appropriations - When they may continue.**

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

1 assembly. Unexpended appropriations for the North Dakota university system are not subject to
2 this section and the North Dakota university system shall report on the amounts and uses of
3 funds carried over from one biennium to the next to subsequent appropriations committees of
4 the legislative assembly. The chairmen of the appropriations committees of the senate and
5 house of representatives of the legislative assembly with the office of the budget may continue
6 appropriations or balances in force for not more than two years after the expiration of the
7 biennial period during which they became available upon recommendation of the director of the
8 budget for:

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

20 **(Effective after July 31, ~~2013~~2015) Office of management and budget to cancel**
21 **unexpended appropriations - When they may continue.** The office of management and
22 budget, thirty days after the close of each biennial period, shall cancel all unexpended
23 appropriations or balances of appropriations after the expiration of the biennial period during
24 which they became available under the law. Unexpended appropriations for the state historical
25 society are not subject to this section and the state historical society shall report on the amounts
26 and uses of funds carried over from one biennium to the appropriations committees of the next
27 subsequent legislative assembly. The chairmen of the appropriations committees of the senate
28 and house of representatives of the legislative assembly with the office of the budget may
29 continue appropriations or balances in force for not more than two years after the expiration of
30 the biennial period during which they became available upon recommendation of the director of
31 the budget for:

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

12 **SECTION 19. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY.** The following
13 line items contained in subdivision 1 of section 1 of this Act include funding that may be
14 transferred in full or in part for the period beginning with the effective date of this Act and ending
15 June 30, 2015, by the state board of higher education to the institutions and entities under its
16 control based on the recommendations of the commissioner of higher education as follows:

- 17 1. The deferred maintenance funding pool line item includes funding that must be used to
- 18 address deferred maintenance and other infrastructure needs at institutions based on
- 19 the university system master plan and space utilization study. However, the state
- 20 board of higher education may distribute up to one-half of the funds in the pool to
- 21 institutions prior to the completion of the master plan and space utilization study.
- 22 2. The education incentive programs line item includes funding that may be allocated to
- 23 education incentive programs based on program eligibility criteria and the reduction or
- 24 elimination of specific programs as determined by the board.
- 25 3. The performance funding pool line item includes funding that may be allocated to
- 26 institutions based on the institution meeting specified goals or other performance
- 27 measures as determined by the board. The board shall determine whether the
- 28 allocations are to be considered a one-time funding item for the current biennium only
- 29 or if the allocation is to become part of an institution's base budget. The funding in the
- 30 performance funding pool may not be used for the operations or any function of the
- 31 university system office. The state board of higher education shall consider any

1 allocations from the oil and gas impact grant fund to higher education institutions when
2 determining allocations to institutions from the performance funding pool.

3 4. The campus security pool line item includes funding that must be used to address
4 security and emergency preparedness needs at institutions. The funding in the pool
5 must be transferred to institutions prior to January 1, 2014.

6 **SECTION 20. SYSTEM INFORMATION TECHNOLOGY SERVICES - OFFICE**
7 **CONSOLIDATION - LEGISLATIVE MANAGEMENT REPORTS - REPORT TO**

8 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** Upon the completion of the joint information
9 technology building project on the campus of the university of North Dakota, as approved by the
10 sixty-second legislative assembly, the state board of higher education shall require system
11 information technology services staff offices of newly hired employees to be located in the
12 building unless the position is specifically assigned to an institution or the university system
13 office. During the 2013-14 interim, the state board of higher education shall provide annual
14 reports to the budget section and information technology committee regarding the status of the
15 consolidation of university system information technology services, including the location of staff
16 members providing those services. The university system shall provide a report to the
17 appropriations committees of the sixty-fourth legislative assembly regarding the consolidation of
18 university system information technology services and shall provide a comprehensive report of
19 the budget for all university system information technology services, including services provided
20 by institutions.

21 **SECTION 21. CAPITAL PROJECTS FUNDING POOL - TRANSFER AUTHORITY -**
22 **BUDGET SECTION APPROVAL.** The capital projects funding pool line item contained in

23 subdivision 1 of section 1 of this Act includes funding of \$160,000,000 from the general fund
24 and \$16,000,000 of other funds which must be used for capital projects located at institutions
25 under the control of the state board of higher education. The state board of higher education
26 shall review capital projects and prioritize the projects based on the university system master
27 plan and space utilization study as provided in section 22 of this Act. The board shall
28 recommend projects and associated funding to the budget section for final approval. Upon
29 budget section approval, the state board of higher education shall transfer appropriation
30 authority from the capital projects funding pool to institutions for approved capital projects. A ten
31 percent match from local or private funds must be provided by the institution for any approved

1 project that provides for the construction of a new building or provides for a renovation to an
2 existing building that exceeds a total cost of \$10,000,000. Projects eligible to receive funding
3 from the capital projects funding pool include:

- 4 1. Bismarck state college communications and creative arts center.
- 5 2. Lake Region state college Erlandson technical center remodel and addition project.
- 6 3. Williston state college campus drive project.
- 7 4. Williston state college Stevens hall renovation.
- 8 5. University of North Dakota law school building renovation.
- 9 6. University of North Dakota school of medicine and health sciences facility project.
- 10 7. North Dakota state university science, technology, engineering, and mathematics
11 classroom and laboratory building.
- 12 8. State college of science old main building renovation project.
- 13 9. Mayville state university campuswide drainage improvements.
- 14 10. Mayville state university old gymnasium building replacement and improvements.
- 15 11. Minot state university plant services building.
- 16 12. Valley City state university hillside slope stabilization project.
- 17 13. Valley City state university Vangstad hall renovation.
- 18 14. Dakota college at Bottineau campus safety and emergency preparedness
19 improvements.

20 **SECTION 22. MASTER PLAN AND SPACE UTILIZATION STUDY - CAMPUS BUILDING**
21 **PROJECTS - PROJECT MANAGEMENT.** The master plan and space utilization study line item
22 contained in subdivision 1 of section 1 of this Act includes funding that must be used by the
23 state board of higher education to conduct a systemwide master plan and space utilization
24 study. The board may use up to \$150,000 of the funds to contract with an outside entity for a
25 final design review of the university of North Dakota school of medicine and health sciences
26 facility project and the North Dakota state university science, technology, engineering, and
27 mathematics classroom building project. Beginning with the effective date of this Act, the state
28 board of higher education may not authorize a capital project, excluding athletic facility projects
29 to be paid from private or local funds, to begin at an institution until a master plan and space
30 utilization study has been conducted of the campus and the board determines the building
31 project conforms with the master plan and space utilization study. However, construction may

1 begin on the university of North Dakota school of medicine and health sciences facility project
2 and the North Dakota state university science, technology, engineering, and mathematics
3 classroom building project prior to the completion of a master plan and space utilization study of
4 the respective campus. Each capital project authorized by the state board of higher education
5 must have adequate project management oversight by either an institution official or a
6 representative of an external entity as determined by the commissioner of higher education. Any
7 project management costs must be paid from funds authorized for the project.

8 **SECTION 23. BISMARCK STATE COLLEGE COMMUNICATIONS AND CREATIVE ARTS**

9 **CENTER.** The capital assets line item in subdivision 2 of section 1 of this Act includes the sum
10 of \$6,000,000 from special funds derived from donations and other income for the Bismarck
11 state college communications and creative arts center project. The \$6,000,000 special funds
12 appropriation for the project may be used to construct a theater as part of the communications
13 and creative arts center project. The operations line item in subdivision 2 of section 1 of this Act
14 includes the sum of \$600,000 from special funds derived from donations and other income
15 which may be used to develop programming at the communications and creative arts center
16 that includes written and spoken communications, visual and performing arts, social sciences,
17 history, law, economics, philosophy, and current events. Funding may be used for items
18 including curriculum development, student activities, faculty enhancement, public programming,
19 and the development and publication of appropriate media to promote these activities. The
20 other funds authority provided for the communications and creative arts center project may be
21 used only if the state board of higher education allocates funding from the capital projects
22 funding pool for the communications and creative arts center as provided for in this Act.

23 **SECTION 24. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**

24 **SCIENCES BISMARCK FAMILY PRACTICE CENTER SKYWALK PROJECT.** The capital
25 assets line item in subdivision 5 of section 1 of this Act includes the sum of \$750,000 from the
26 general fund for the university of North Dakota school of medicine and health sciences
27 Bismarck family practice center skywalk project. The university of North Dakota shall provide
28 \$1 of nonstate funding for the project for every \$1 of funding used from the general fund
29 appropriation.

30 **SECTION 25. MINOT STATE UNIVERSITY - FLOOD RECOVERY FUNDING.** The sum of
31 \$2,000,000 included in the operations line item in subdivision 10 of section 1 of this Act must be

1 used by Minot state university to address housing, budget, and other needs relating to the 2011
2 flood, including capital, as determined by the university.

3 **SECTION 26. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET**

4 **SECTION REPORT.** North Dakota state university may use unspent funding from the
5 \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending
6 June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the
7 biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the
8 biennium beginning July 1, 2013, and ending June 30, 2015. North Dakota state university shall
9 report to the budget section regarding the status of the Minard hall project and may request
10 increased spending authorization from the budget section for the project.

11 **SECTION 27. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act
12 includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student
13 loan trust fund of which \$465,307 is for the professional student exchange program and
14 \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2013,
15 and ending June 30, 2015.

16 **SECTION 28. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**

17 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
18 includes funding, which must be transferred, in part, by the state board of higher education,
19 based on the recommendation of the commissioner of higher education, to the university of
20 North Dakota school of medicine and health sciences for operations consistent with the higher
21 education per student credit-hour funding formula.

22 **SECTION 29. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,
23 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources
24 for competitive grants or other funds that the legislative assembly has not indicated the intent to
25 reject, including tuition revenue, received by the institutions and entities under the control of the
26 state board of higher education are appropriated to those institutions and entities, for the
27 biennium beginning July 1, 2013, and ending June 30, 2015. All additional funds received under
28 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2013,
29 and ending June 30, 2015, are appropriated to the state board of higher education for
30 reimbursement to institutions under the control of the board.

1 **SECTION 30. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2013,
2 and ending June 30, 2015, the state board of higher education determines that funds allocated
3 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds
4 from operations to capital assets. The board shall report any transfer of funds under this section
5 to the office of management and budget.

6 **SECTION 31. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
7 any other provisions of law, the state board of higher education may adjust full-time equivalent
8 positions as needed, subject to the availability of funds, for institutions and entities under its
9 control during the biennium beginning July 1, 2013, and ending June 30, 2015. The North
10 Dakota university system shall report any adjustments to the office of management and budget
11 before the submission of the 2015-17 biennium budget request.

12 **SECTION 32. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
13 higher education, in accordance with chapter 15-55, may arrange for the funding of projects
14 authorized in this section, declared to be in the public interest, through the issuance of
15 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the
16 effective date of this Act and ending June 30, 2015. Evidences of indebtedness issued pursuant
17 to this section are not a general obligation of the state of North Dakota. Any unexpended
18 balance resulting from the proceeds of the evidences of indebtedness must be placed in a
19 sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may
20 be issued and the proceeds are appropriated in section 1 of this Act for the following capital
21 projects:

22 University of North Dakota - Student housing facility	\$19,187,262
23 University of North Dakota - Wilkerson hall dining center	29,000,000
24 University of North Dakota - Resident apartment building	<u>8,300,000</u>
25 Total special funds	\$56,487,262

26 **SECTION 33. LEGISLATIVE MANAGEMENT REPORT - POSTSECONDARY ACADEMIC**
27 **MATCHING GRANTS.** Before October 1, 2014, the state board of higher education shall
28 provide a report to the legislative management regarding the number of matching grants that
29 were sought, the number that were awarded, and the manner in which the grants were used as
30 provided in sections 4 through 9 of this Act.

1 **SECTION 34. EXPIRATION DATE.** Sections 4 through 9 of this Act are effective through
2 June 30, 2015, and after that date are ineffective.

3 **SECTION 35. EMERGENCY.** Sections 19, 21, 22, 24, 25, and 32 of this Act; \$2,000,000
4 from the general fund contained in the operations line item in subdivision 10 of section 1 of this
5 Act for flood recovery funding; and the capital assets, capital projects funding pool, master plan
6 and space utilization study, and deferred maintenance pool line items contained in section 1 of
7 this Act are declared to be an emergency measure.