

Sixty-fourth  
Legislative Assembly  
of North Dakota

## 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 create and enact ~~six~~five new sections to chapter 15-10, chapters 15-62.4  
3 and 15-62.5, and a new subsection to a new section to chapter 54-10 as created in section 5 of  
4 Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, of the North Dakota  
5 Century Code, relating to a unified workforce, vocational, and technical education program  
6 system, the workforce education advisory council, the required use of electronic mail, file server  
7 administration, database administration, application server, and hosting services, ~~capital project~~  
8 ~~budget requests~~, audits of higher education computer systems, annual reports regarding  
9 scholarships, the student financial assistance program, the scholars program, and higher  
10 education audits; to amend and reenact ~~section 15-10-12.1, subsection 3 of section~~  
11 ~~15-10-17, subdivision c of subsection 1 of section 15-10-17~~, sections 15-18.2-02, 15-18.2-03,  
12 15-18.2-04, 15-18.2-05, ~~15-1-21-02.6~~, 54-12-08, and 54-44.1-04, subsection 4 of section  
13 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code, relating to ~~campus~~  
14 ~~building projects and maintenance, legislative authority to set tuition and fees at institutions of~~  
15 ~~higher education~~university system office personnel, state aid to institutions, ~~career and technical~~  
16 ~~education scholarships~~, attorneys hired by the state board of higher education, budget requests  
17 submitted to the office of the budget, preparation of budget data, and the cancellation of  
18 unexpended appropriations; to repeal chapter 15-62.2 of the North Dakota Century Code,  
19 relating to the student financial assistance program and the scholars program; to provide for the  
20 transfer of funds; to authorize the state board of higher education to issue and sell bonds for  
21 capital projects; to limit tuition rate increases; to reauthorize projects for North Dakota state  
22 university and Minot state university; to provide for budget section reports; to provide for reports  
23 to the sixty-fifth legislative assembly; to provide for legislative management reports and studies;  
24 ~~to provide an appropriation to the state auditor~~; to provide an appropriation to the attorney

1 general; to provide a-contingent ~~appropriation~~ appropriations to the state board of higher  
2 education; to provide exemptions; to provide legislative intent; and to declare an emergency.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
5 as may be necessary, are appropriated out of any moneys in the general fund in the state  
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
7 other income to the state board of higher education and to the entities and institutions under the  
8 supervision of the board, for the purpose of defraying the expenses of the state board of higher  
9 education and the entities and institutions under the control of the board, for the biennium  
10 beginning July 1, 2015, and ending June 30, 2017, as follows:

11 ~~— Subdivision 1.~~

12 ~~NORTH DAKOTA UNIVERSITY SYSTEM OFFICE~~

	<del>Adjustments or</del>		
	<del>Base Level</del>	<del>Enhancements</del>	<del>Appropriation</del>
<del>Capital assets – bond payments</del>	<del>\$10,436,045</del>	<del>(\$2,067,209)</del>	<del>\$8,368,836</del>
<del>Competitive research program</del>	<del>7,050,000</del>	<del>0</del>	<del>7,050,000</del>
<del>System governance</del>	<del>12,666,502</del>	<del>(5,114,727)</del>	<del>7,551,775</del>
<del>Title II</del>	<del>1,006,472</del>	<del>0</del>	<del>1,006,472</del>
<del>Core technology services</del>	<del>38,662,551</del>	<del>7,390,980</del>	<del>46,053,531</del>
<del>Student financial assistance grants</del>	<del>21,245,679</del>	<del>4,388,597</del>	<del>25,634,276</del>
<del>Professional student exchange program</del>	<del>4,275,015</del>	<del>0</del>	<del>4,275,015</del>
<del>Academic and technical education</del>	<del>10,000,000</del>	<del>4,997,653</del>	<del>14,997,653</del>
<del>—scholarships</del>			
<del>Two-year campus marketing</del>	<del>800,000</del>	<del>0</del>	<del>800,000</del>
<del>Scholars program</del>	<del>2,113,584</del>	<del>0</del>	<del>2,113,584</del>
<del>Native American scholarships</del>	<del>649,267</del>	<del>0</del>	<del>649,267</del>
<del>Tribally controlled community college grants</del>	<del>1,000,000</del>	<del>(500,000)</del>	<del>500,000</del>
<del>Education incentive programs</del>	<del>3,349,000</del>	<del>0</del>	<del>3,349,000</del>
<del>Student mental health</del>	<del>282,520</del>	<del>33,480</del>	<del>316,000</del>
<del>Veterans assistance grants</del>	<del>325,000</del>	<del>0</del>	<del>325,000</del>

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1	Deferred maintenance pool	0	5,000,000	5,000,000
2	Campus security pool	0	3,000,000	3,000,000
3	Open education resources training	0	110,000	110,000
4	Extraordinary repairs pool	0	11,162,008	11,162,008
5	Total all funds	\$113,861,635	\$28,400,782	\$142,262,417
6	Less estimated income	2,299,912	(288,696)	2,011,216
7	Total general fund	\$111,561,723	\$28,689,478	\$140,251,201
8	Full-time equivalent positions	112.91	(16.52)	96.39

9 — Subdivision 2.

BISMARCK STATE COLLEGE

11			Adjustments or	
12		Base Level	Enhancements	Appropriation
13	Operations	\$32,653,654	\$3,975,752	\$36,629,406
14	Capital assets	417,673	939,927	1,357,600
15	Total all funds	\$33,071,327	\$4,915,679	\$37,987,006
16	Less estimated income	0	0	0
17	Total general fund	\$33,071,327	\$4,915,679	\$37,987,006
18	Full-time equivalent positions	126.96	6.57	133.53

19 — Subdivision 3.

LAKE REGION STATE COLLEGE

21			Adjustments or	
22		Base Level	Enhancements	Appropriation
23	Operations	\$12,429,097	\$2,844,995	\$15,274,092
24	Capital assets	155,367	(155,367)	0
25	Total all funds	\$12,584,464	\$2,689,628	\$15,274,092
26	Less estimated income	0	0	0
27	Total general fund	\$12,584,464	\$2,689,628	\$15,274,092
28	Full-time equivalent positions	40.22	9.97	50.19

29 — Subdivision 4.

WILLISTON STATE COLLEGE

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	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$12,783,506	(\$535,584)	\$12,247,922
Capital assets	197,801	87,199	285,000
Total all funds	\$12,981,307	(\$448,385)	\$12,532,922
Less estimated income	0	0	0
Total general fund	\$12,981,307	(\$448,385)	\$12,532,922
Full-time equivalent positions	44.15	5.81	49.96

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$149,683,005	\$12,074,256	\$161,757,261
Capital assets	4,411,566	57,830,019	62,241,585
Total all funds	\$154,094,571	\$69,904,275	\$223,998,846
Less estimated income	0	0	0
Total general fund	\$154,094,571	\$69,904,275	\$223,998,846
Full-time equivalent positions	633.60	(3.40)	630.20

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$140,341,540	\$10,545,417	\$150,886,957
Capital assets	2,732,244	(1,140,818)	1,591,426
Total all funds	\$143,073,784	\$9,404,599	\$152,478,383
Less estimated income	0	0	0
Total general fund	\$143,073,784	\$9,404,599	\$152,478,383
Full-time equivalent positions	491.21	45.89	537.10

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

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	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$38,181,456	\$3,511,925	\$41,693,381
Capital assets	1,012,379	(737,281)	275,098
Total all funds	\$39,193,835	\$2,774,644	\$41,968,479
Less estimated income	0	0	0
Total general fund	\$39,193,835	\$2,774,644	\$41,968,479
Full-time equivalent positions	171.87	(3.57)	168.30

Subdivision 8.

DICKINSON STATE UNIVERSITY

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$26,299,227	(\$1,096,445)	\$25,202,782
Capital assets	409,078	(409,078)	0
Total all funds	\$26,708,305	(\$1,505,523)	\$25,202,782
Less estimated income	0	0	0
Total general fund	\$26,708,305	(\$1,505,523)	\$25,202,782
Full-time equivalent positions	100.32	19.94	120.26

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$14,364,424	\$623,654	\$14,988,078
Capital assets	358,992	(130,707)	228,285
Total all funds	\$14,723,416	\$492,947	\$15,216,363
Less estimated income	0	0	0
Total general fund	\$14,723,416	\$492,947	\$15,216,363
Full-time equivalent positions	62.78	3.45	66.23

Subdivision 10.

MINOT STATE UNIVERSITY

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	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$43,810,211	\$2,980,534	\$46,790,745
Capital assets	899,620	(899,620)	0
Total all funds	\$44,709,831	\$2,080,914	\$46,790,745
Less estimated income	0	0	0
Total general fund	\$44,709,831	\$2,080,914	\$46,790,745
Full-time equivalent positions	201.76	2.34	204.10

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$20,691,135	\$1,215,404	\$21,906,539
Capital assets	408,319	(165,081)	243,238
Total all funds	\$21,099,454	\$1,050,323	\$22,149,777
Less estimated income	0	0	0
Total general fund	\$21,099,454	\$1,050,323	\$22,149,777
Full-time equivalent positions	97.29	8.30	105.59

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Operations	\$7,892,043	(\$18,821)	\$7,873,222
Capital assets	114,007	(85,550)	28,457
Total all funds	\$8,006,050	(\$104,371)	\$7,901,679
Less estimated income	0	0	0
Total general fund	\$8,006,050	(\$104,371)	\$7,901,679
Full-time equivalent positions	36.12	10.84	46.96

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$52,762,590	\$19,511,649	\$72,274,239
Total all funds	\$52,762,590	\$19,511,649	\$72,274,239
Less estimated income	0	0	0
Total general fund	\$52,762,590	\$19,511,649	\$72,274,239
Full-time equivalent positions	156.55	28.03	184.58
Subdivision 14.			

NORTH DAKOTA FOREST SERVICE

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$6,249,979	\$326,982	\$6,576,961
Capital assets	101,210	(44,962)	56,248
Total all funds	\$6,351,189	\$282,020	\$6,633,209
Less estimated income	1,650,000	0	1,650,000
Total general fund	\$4,701,189	\$282,020	\$4,983,209
Full-time equivalent positions	29.00	(0.04)	28.96
Subdivision 15.			

BILL TOTAL

	Adjustments or		
	Base Level	Enhancements	Appropriation
Grand total general fund	\$679,271,846	\$142,614,291	\$821,886,137
Grand total special funds	3,949,912	(288,696)	3,661,216
Grand total all funds	\$683,221,758	\$142,325,595	\$825,547,353

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	Adjustments or		
	Base Level	Enhancements	Appropriation
Capital assets - bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836
Competitive research program	7,050,000	0	7,050,000
System governance	12,666,502	(5,139,509)	7,526,993

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1	Title II	1,006,472	0	1,006,472
2	Core technology services	38,662,551	7,318,414	45,980,965
3	Student financial assistance grants	21,245,679	4,388,597	25,634,276
4	Professional student exchange program	4,275,015	0	4,275,015
5	Academic and technical education	10,000,000	4,054,677	14,054,677
6	scholarships			
7	Two-year campus marketing	800,000	0	800,000
8	Scholars program	2,113,584	0	2,113,584
9	Native American scholarships	649,267	0	649,267
10	Tribally-controlled community college grants	1,000,000	0	1,000,000
11	Education incentive programs	3,349,000	0	3,349,000
12	Student mental health	282,520	33,480	316,000
13	Veterans assistance grants	325,000	0	325,000
14	Deferred maintenance pool	0	8,700,000	8,700,000
15	Campus security pool	0	3,000,000	3,000,000
16	Open education resources training	0	110,000	110,000
17	Internal audit pool	0	300,000	300,000
18	Total all funds	\$113,861,635	\$20,698,450	\$134,560,085
19	Less estimated income	2,299,912	211,304	2,511,216
20	Total general fund	\$111,561,723	\$20,487,146	\$132,048,869
21	Full-time equivalent positions	112.91	(8.52)	104.39
22	Subdivision 2.			
23	BISMARCK STATE COLLEGE			
24			Adjustments or	
25		Base Level	Enhancements	Appropriation
26	Operations	\$32,653,654	\$3,509,499	\$36,163,153
27	Capital assets	417,673	2,175,000	2,592,673
28	Total all funds	\$33,071,327	\$5,684,499	\$38,755,826
29	Less estimated income	0	600,000	600,000
30	Total general fund	\$33,071,327	\$5,084,499	\$38,155,826
31	Full-time equivalent positions	126.96	6.57	133.53



1 Subdivision 3.

2 LAKE REGION STATE COLLEGE

3	<u>Adjustments or</u>			
4	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
5	<u>Operations</u>	\$12,429,097	\$2,403,092	\$14,832,189
6	<u>Capital assets</u>	155,367	1,648,423	1,803,790
7	<u>Total all funds</u>	\$12,584,464	\$4,051,515	\$16,635,979
8	<u>Less estimated income</u>	0	0	0
9	<u>Total general fund</u>	\$12,584,464	\$4,051,515	\$16,635,979
10	<u>Full-time equivalent positions</u>	40.22	9.97	50.19

11 Subdivision 4.

12 WILLISTON STATE COLLEGE

13	<u>Adjustments or</u>			
14	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
15	<u>Operations</u>	\$12,783,506	(\$233,042)	\$12,550,464
16	<u>Capital assets</u>	197,801	0	197,801
17	<u>Total all funds</u>	\$12,981,307	(\$233,042)	\$12,748,265
18	<u>Less estimated income</u>	0	0	0
19	<u>Total general fund</u>	\$12,981,307	(\$233,042)	\$12,748,265
20	<u>Full-time equivalent positions</u>	44.15	5.81	49.96

21 Subdivision 5.

22 UNIVERSITY OF NORTH DAKOTA

23	<u>Adjustments or</u>			
24	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
25	<u>Operations</u>	\$149,683,005	\$17,591,333	\$167,274,338
26	<u>Capital assets</u>	4,411,566	74,760,000	79,171,566
27	<u>Total all funds</u>	\$154,094,571	\$92,351,333	\$246,445,904
28	<u>Less estimated income</u>	0	6,000,000	6,000,000
29	<u>Total general fund</u>	\$154,094,571	\$86,351,333	\$240,445,904
30	<u>Full-time equivalent positions</u>	633.60	(3.40)	630.20

31 Subdivision 6.

1 NORTH DAKOTA STATE UNIVERSITY

2 Adjustments or

3 Base Level Enhancements Appropriation

4 Operations \$140,341,540 \$14,336,756 \$154,678,296

5 Capital assets 2,732,244 11,600,000 14,332,244

6 Total all funds \$143,073,784 \$25,936,756 \$169,010,540

7 Less estimated income 0 11,600,000 11,600,000

8 Total general fund \$143,073,784 \$14,336,756 \$157,410,540

9 Full-time equivalent positions 491.21 45.89 537.10

10 Subdivision 7.

11 NORTH DAKOTA STATE COLLEGE OF SCIENCE

12 Adjustments or

13 Base Level Enhancements Appropriation

14 Operations \$38,181,456 \$5,537,929 \$43,719,385

15 Capital assets 1,012,379 13,298,000 14,310,379

16 Total all funds \$39,193,835 \$18,835,929 \$58,029,764

17 Less estimated income 0 0 0

18 Total general fund \$39,193,835 \$18,835,929 \$58,029,764

19 Full-time equivalent positions 171.87 (3.57) 168.30

20 Subdivision 8.

21 DICKINSON STATE UNIVERSITY

22 Adjustments or

23 Base Level Enhancements Appropriation

24 Operations \$26,299,227 \$2,307,626 \$28,606,853

25 Capital assets 409,078 0 409,078

26 Total all funds \$26,708,305 \$2,307,626 \$29,015,931

27 Less estimated income 0 2,000,000 2,000,000

28 Total general fund \$26,708,305 \$307,626 \$27,015,931

29 Full-time equivalent positions 100.32 19.94 120.26

30 Subdivision 9.

31 MAYVILLE STATE UNIVERSITY

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	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$14,364,424	\$2,015,729	\$16,380,153
Capital assets	358,992	0	358,992
Total all funds	\$14,723,416	\$2,015,729	\$16,739,145
Less estimated income	0	0	0
Total general fund	\$14,723,416	\$2,015,729	\$16,739,145
Full-time equivalent positions	62.78	3.45	66.23

Subdivision 10.

MINOT STATE UNIVERSITY

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$43,810,211	\$4,048,350	\$47,858,561
Capital assets	899,620	0	899,620
Total all funds	\$44,709,831	\$4,048,350	\$48,758,181
Less estimated income	0	0	0
Total general fund	\$44,709,831	\$4,048,350	\$48,758,181
Full-time equivalent positions	201.76	2.34	204.10

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Adjustments or		
	Base Level	Enhancements	Appropriation
Operations	\$20,691,135	\$4,370,214	\$25,061,349
Capital assets	408,319	30,289,000	30,697,319
Total all funds	\$21,099,454	\$34,659,214	\$55,758,668
Less estimated income	0	16,000,000	16,000,000
Total general fund	\$21,099,454	\$18,659,214	\$39,758,668
Full-time equivalent positions	97.29	8.30	105.59

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	Adjustments or			
	Base Level	Enhancements	Appropriation	
1				
2				
3	Operations	\$7,892,043	\$697,566	\$8,589,609
4	Capital assets	114,007	11,746,983	11,860,990
5	Total all funds	\$8,006,050	\$12,444,549	\$20,450,599
6	Less estimated income	0	10,648,194	10,648,194
7	Total general fund	\$8,006,050	\$1,796,355	\$9,802,405
8	Full-time equivalent positions	36.12	10.84	46.96
9	<u>Subdivision 13.</u>			
10	<u>UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES</u>			
11				
12				
13	Operations	\$52,762,590	\$18,674,806	\$71,437,396
14	Total all funds	\$52,762,590	\$18,674,806	\$71,437,396
15	Less estimated income	0	0	0
16	Total general fund	\$52,762,590	\$18,674,806	\$71,437,396
17	Full-time equivalent positions	156.55	28.03	184.58
18	<u>Subdivision 14.</u>			
19	<u>NORTH DAKOTA FOREST SERVICE</u>			
20				
21				
22	Operations	\$6,249,979	\$306,655	\$6,556,634
23	Capital assets	101,210	0	101,210
24	Total all funds	\$6,351,189	\$306,655	\$6,657,844
25	Less estimated income	1,650,000	0	1,650,000
26	Total general fund	\$4,701,189	\$306,655	\$5,007,844
27	Full-time equivalent positions	29.00	(0.04)	28.96
28	<u>Subdivision 15.</u>			
29	<u>BILL TOTAL</u>			
30				
31				

1	<u>Grand total general fund</u>	<u>\$679,271,846</u>	<u>\$196,909,865</u>	<u>\$876,181,711</u>
2	<u>Grand total special funds</u>	<u>3,949,912</u>	<u>47,059,498</u>	<u>51,009,410</u>
3	<u>Grand total all funds</u>	<u>\$683,221,758</u>	<u>\$243,969,363</u>	<u>\$927,191,121</u>

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

5       **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
6 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the  
7 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

8	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
9	<del>Capital projects – general fund</del>	<del>\$155,691,350</del>	<del>\$62,000,000</del>
10	<del>Capital projects – other funds</del>	<del>168,531,029</del>	<del>0</del>
11	<u>Capital projects - general fund</u>	<u>\$155,691,350</u>	<u>\$99,909,212</u>
12	<u>Capital projects - other funds</u>	<u>168,531,029</u>	<u>44,848,194</u>
13	Capital projects contingency pool	5,483,413	0
14	<del>Special assessment payoff</del>	<del>0</del>	<del>4,250,689</del>
15	Campus security pool	0	3,000,000
16	CTS technology projects	0	2,821,500
17	Open education resource training	0	110,000
18	<del>Theodore Roosevelt center</del>	<del>6,000,000</del>	<del>0</del>
19	<u>Theodore Roosevelt center</u>	<u>6,000,000</u>	<u>800,000</u>
20	<u>Williston state college energy development impact</u>	<u>0</u>	<u>2,500,000</u>
21	<u>Dickinson state university leadership transition</u>	<u>0</u>	<u>2,000,000</u>
22	<u>Museum of art deferred maintenance</u>	<u>0</u>	<u>760,000</u>
23	Williston state college workforce training facility	2,500,000	0
24	Campus deferred maintenance projects	440,000	0
25	Performance funding pool	5,000,000	0
26	Dickinson state university operating funds	800,000	0
27	Minot state university flood recovery funds	2,500,000	0
28	Dakota college at Bottineau - campus software updates	28,500	0
29	<del>Deferred maintenance pool</del>	<del>10,000,000</del>	<del>5,000,000</del>
30	<u>Deferred maintenance pool</u>	<u>10,000,000</u>	<u>8,700,000</u>
31	Education challenge fund	29,000,000	0

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1	School of medicine and health sciences residency positions	0	4,700,000
2	Health care workforce initiative	7,414,806	13,814,806
3	Master plan and space utilization study	<u>1,000,000</u>	<u>0</u>
4	<del>Total all funds</del>	<del>\$394,389,098</del>	<del>\$95,696,995</del>
5	<del>Total other funds</del>	<del>171,031,029</del>	<del>0</del>
6	<del>Total general fund</del>	<del>\$223,358,069</del>	<del>\$95,696,995</del>
7	<u>Total all funds</u>	<u>\$394,389,098</u>	<u>\$183,963,712</u>
8	<u>Total other funds</u>	<u>171,031,029</u>	<u>46,848,194</u>
9	<u>Total general fund</u>	<u>\$223,358,069</u>	<u>\$137,115,518</u>

10 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
 11 2017-19 biennium. The North Dakota university system shall report to the appropriations  
 12 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the  
 13 biennium beginning July 1, 2015, and ending June 30, 2017.

14 **SECTION 3. CONTINGENT APPROPRIATION - LEGISLATIVE MANAGEMENT REPORT.**

15 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
 16 appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the state  
 17 board of higher education for the unified workforce, vocational, and technical education program  
 18 system, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding  
 19 provided in this section is available only if the state board of higher education certifies to the  
 20 office of management and budget that a unified workforce, vocational, and technical program  
 21 system has been established. The board shall provide reports to the legislative management on  
 22 the status of the development of the unified system.

23 ~~**SECTION 4. APPROPRIATION -- STATE AUDITOR.** There is appropriated out of any~~  
 24 ~~moneys in the general fund in the state treasury, not otherwise appropriated, the sum of~~  
 25 ~~\$1,221,914, or so much of the sum as may be necessary, to the state auditor for the purpose of~~  
 26 ~~conducting audits of institutions and entities under the control of the state board of higher~~  
 27 ~~education, for the biennium beginning July 1, 2015, and ending June 30, 2017. The state~~  
 28 ~~auditor is authorized six full-time equivalent positions for higher education audit purposes.~~

29 ~~**SECTION 5. APPROPRIATION -- ATTORNEY GENERAL.** There is appropriated out of any~~  
 30 ~~moneys in the general fund in the state treasury, not otherwise appropriated, the sum of~~  
 31 ~~\$1,604,500, or so much of the sum as may be necessary, to the attorney general for the~~

1 ~~purpose of providing legal services for the state board of higher education and institutions and~~  
2 ~~entities under the control of the board, for the biennium beginning July 1, 2015, and ending~~  
3 ~~June 30, 2017. The attorney general is authorized six full-time equivalent positions for the~~  
4 ~~purpose of providing legal services to the state board of higher education and institutions and~~  
5 ~~entities under the control of the board.~~

6 ~~—~~ **SECTION 6. AMENDMENT.** ~~Section 15-10-12.1 of the North Dakota Century Code is~~  
7 ~~amended and reenacted as follows:~~

8 ~~—~~ **15-10-12.1. Acceptance of buildings and campus improvements - Legislative**  
9 **approval.**

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

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

8 ~~— **SECTION 7. AMENDMENT.** Subsection 3 of section 15-10-17 of the North Dakota Century  
9 Code is amended and reenacted as follows: —~~

10 ~~— 3. a. SetCharge tuition and fees in the amounts established by the legislative  
11 assembly.~~

12 ~~— b. Charge fees subject to any statutory limitations or requirements.~~

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

15 ~~— **Capital project requests – Maintenance reserve account.**~~

16 ~~— Every new building project funding request and building maintenance funding request  
17 submitted for approval to the legislative assembly or to the budget section of the legislative  
18 management under section 15-10-12.1 must conform to campus master plan and space  
19 utilization studies completed by or for the state board of higher education. Each new building  
20 project request exceeding five million dollars must include a funding request for future  
21 maintenance costs equal to three percent of the project cost. The future maintenance funds  
22 must be deposited in an account under the control of the state board of higher education to be  
23 used only for future maintenance costs of buildings subject to this section.~~

24 **SECTION 4. CONTINGENT APPROPRIATION - BUDGET SECTION APPROVAL.** Subject  
25 to budget section approval as provided in this section, there is appropriated out of any moneys  
26 in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or  
27 so much of the sum as may be necessary, to the state board of higher education for the  
28 purpose of reorganizing the office of the commissioner of higher education, for the biennium  
29 beginning July 1, 2015, and ending June 30, 2017. The funds provided under this section are  
30 available only if the state board of higher education submits to the budget section for approval a  
31 plan to reorganize the office of the commissioner of higher education. The plan must detail the



1 proposed organizational structure of the office, priorities of the office, and process changes to  
2 increase office and systemwide efficiencies. The budget section may approve the entire  
3 appropriation provided under this section, or a portion of the appropriation, for the board of  
4 higher education to use for the purposes identified in this section. The funding provided in this  
5 section is considered a one-time funding item.

6 **SECTION 5. CONTINGENT GENERAL FUND APPROPRIATIONS - STATE BOARD OF**  
7 **HIGHER EDUCATION - CAPITAL PROJECTS - BUDGET SECTION APPROVAL.**

- 8 1. Subject to the provisions of this section, there is appropriated out of any moneys in the  
9 general fund in the state treasury, not otherwise appropriated, the sum of \$25,850,000,  
10 or so much of the sum as may be necessary, to the state board of higher education for  
11 the Valley City state university fine arts building project, including the demolition of two  
12 existing buildings, for the biennium beginning July 1, 2015, and ending June 30, 2017.
- 13 2. Subject to the provisions of this section, there is appropriated out of any moneys in the  
14 general fund in the state treasury, not otherwise appropriated, the sum of \$46,000,000,  
15 or so much of the sum as may be necessary, to the state board of higher education for  
16 the North Dakota state university Dunbar Hall project, for the biennium beginning  
17 July 1, 2015, and ending June 30, 2017.
- 18 3. a. The appropriation in subsection 1 of this section is available only if the director of  
19 the office of management and budget determines actual general fund revenues  
20 for the period beginning July 1, 2015, and ending December 31, 2015, exceed  
21 the legislative estimates made at the close of the 2015 legislative session for  
22 general fund revenues during the same period by at least \$126,000,000, or if the  
23 director of the office of management and budget determines actual general fund  
24 revenues for the period beginning July 1, 2015, and ending June 30, 2016,  
25 exceed the legislative estimates made at the close of the 2015 legislative session  
26 for general fund revenues during the same period by at least \$126,000,000.
- 27 b. The appropriation in subsection 2 of this section is available only if the director of  
28 the office of management and budget determines actual general fund revenues  
29 for the period beginning July 1, 2015, and ending December 31, 2016, exceed  
30 the legislative estimates made at the close of the 2015 legislative session for  
31 general fund revenues during the same period by at least \$200,000,000.

1           Additionally, the appropriation in subsection 2 is available only if the state board  
2           of higher education certifies to the budget section that the Dunbar Hall project  
3           conforms to the university system campus master plan and space utilization  
4           study and the board receives budget section approval to proceed with the project.  
5           c. For purposes of this subsection, "estimated general fund revenues" excludes the  
6           unobligated general fund balance on July 1, 2015, and transfers to the general  
7           fund from the strategic investment and improvements fund, property tax relief  
8           fund or tax relief fund, the lottery, the mill and elevator, and gas tax  
9           administration.

10           **SECTION 6. APPROPRIATION - ATTORNEY GENERAL.** The funds provided in this  
11 section, or so much of the funds as may be necessary, are appropriated from the general fund  
12 in the state treasury, not otherwise appropriated, to the attorney general for the following  
13 purposes:

14 Intellectual property attorney	\$436,994
15 Continuation of contracted higher education legal services	<u>700,000</u>
16 Total general fund	\$1,136,994

17 The attorney general is authorized one intellectual property attorney full-time equivalent  
18 position. The attorney general may not spend any funds designated for the intellectual property  
19 attorney position for purposes other than the salaries and wages and operating expenses of the  
20 intellectual property attorney. The funding designated for contracted higher education legal  
21 services is considered a one-time funding item.

22           **SECTION 7. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North  
23 Dakota Century Code is amended and reenacted as follows:

24           c. Appoint and remove at will, all university system office personnel, fix their  
25 salaries within the limits of legislative appropriations, ~~fix their terms of office~~, and  
26 prescribe their duties. The board may provide severance pay to an employee  
27 upon termination of employment only in accordance with section 54-14-04.3.

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

1        **Required use of electronic mail, file server administration, database administration,**  
2 **application server, and hosting services.**

3        Each institution and entity under the control of the state board of higher education shall  
4 obtain electronic mail, file server administration, database administration, research computing,  
5 storage, application server, and hosting services through a delivery system established by the  
6 board. The board shall establish policies and guidelines for the delivery of services, including  
7 the transition from existing systems to functional consolidation, with consideration given to the  
8 creation of efficiencies, cost-savings, and improved quality of service.

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

11        **Audits of computer systems - Penalty.**

- 12        1. Any auditor hired to conduct audits of the state board of higher education and the  
13 entities under the control and supervision of the board may:
- 14        a. Conduct a review and assessment of any computer system or related security  
15 system of the state board of higher education or any entity under the control and  
16 supervision of the board. A review and assessment under this section may  
17 include an assessment of system vulnerability, network penetration, any potential  
18 security breach, and the susceptibility of the system to cyber attack or cyber  
19 fraud.
- 20        b. Disclose the findings of a review and assessment to an individual or committee  
21 designated by the state board of higher education or to the board. Any record  
22 relating to a review and assessment, including a working paper or preliminary  
23 draft of a review and assessment report and a report of the findings of a review  
24 and assessment, and any record that may cause or perpetuate vulnerability of a  
25 computer system or related security system which is obtained or created during a  
26 review and assessment is an exempt record.
- 27        c. In conjunction with the state board of higher education or a committee designated  
28 by the board, procure the services of a specialist in information security systems  
29 or any other contractor deemed necessary in conducting a review and  
30 assessment under this section.

1       2. Any person hired or contracted to provide services in relation to a review and  
2           assessment under this section is subject to the privacy and confidentiality provisions of  
3           subsection 1 and any other section of law, including section 44-04-27, and for the  
4           purposes of section 12.1-13-01, is a public servant.

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

7       **Unified workforce, vocational, and technical education program system.**

8       The state board of higher education shall establish and maintain a unified system to offer  
9       workforce training, vocational education, and technical education programs at institutions under  
10       its control. The board shall periodically review programs offered by institutions under its control  
11       and revise program offerings based on the workforce needs of the state identified by the  
12       workforce education advisory council. The board shall develop administrative arrangements that  
13       make possible the efficient use of facilities and staff. The board shall limit administrative costs  
14       by eliminating duplicative administrative positions.

15       **SECTION 11.** A new section to chapter 15-10 of the North Dakota Century Code is created  
16 and enacted as follows:

17       **Workforce education advisory council - Membership - Duties.**

18       The state board of higher education shall establish a workforce education advisory council  
19       to advise the board regarding skills and qualifications needed for workforce training, vocational,  
20       and technical education programs offered at institutions under the control of the board. The  
21       council is composed of a representative of the department of career and technical education, a  
22       representative of job service North Dakota, a representative of the department of commerce,  
23       and eight members representing business and industry in the state. The eight members  
24       representing business and industry shall be appointed by the chairman of the legislative  
25       management. The North Dakota university system office shall provide staff services for the  
26       advisory council and members of the council who are not employees of the state are entitled to  
27       expense reimbursement from the board, as provided by law for state officers, for attending  
28       meetings of the council.

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

1        **Annual report - Scholarships.**

2        The state board of higher education shall provide to the legislative management an annual  
3 report regarding the number of North Dakota academic scholarships and career and technical  
4 education scholarships provided and demographic information pertaining to the recipients.

5        **SECTION 13. AMENDMENT.** Section 15-18.2-02 of the North Dakota Century Code is  
6 amended and reenacted as follows:

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

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

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

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

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

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

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

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

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

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

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

- 1                   (4) 4.0 for graduate level credits.
- 2                   k. The factor for credits completed in career and technical education is 2.0.
- 3                   l. The factor for completed remedial~~basic skills~~ credits is ~~2.3~~1.0.
- 4                   2. a. The state board of higher education shall ensure that all delineations in this
- 5                               section reflect the requirements of a nationally recognized and standardized
- 6                               instructional program classification system.
- 7                   b. Before adopting any changes to the delineations implemented in accordance with
- 8                               this section, the state board of higher education shall present the proposed
- 9                               changes to and receive the approval of the legislative management.

10                   **SECTION 14. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is

11 amended and reenacted as follows:

12                   **15-18.2-03. Credit completion factor - Determination.**

- 13                   1. ~~For~~Except as provided in subsections 2 and 3 of this section, for each institution under
- 14                               its control, the state board of higher education shall multiply the product determined
- 15                               under section 15-18.2-02 by a factor of:
- 16                   a. ~~1.00 if the number of credit hours is at least 100,000;~~
- 17                   b. ~~1.05 if the number of credit hours is at least 95,000 but less than 100,000;~~
- 18                   c. ~~1.10 if the number of credit hours is at least 90,000 but less than 95,000;~~
- 19                   d. ~~1.15 if the number of credit hours is at least 85,000 but less than 90,000;~~
- 20                   e. ~~1.20 if the number of credit hours is at least 80,000 but less than 85,000;~~
- 21                   f. ~~1.25 if the number of credit hours is at least 75,000 but less than 80,000;~~
- 22                   g. ~~1.30 if the number of credit hours is at least 70,000 but less than 75,000;~~
- 23                   h. ~~1.35 if the number of credit hours is at least 65,000 but less than 70,000;~~
- 24                   i. ~~1.40 if the number of credit hours is at least 60,000 but less than 65,000;~~
- 25                   j. ~~1.45 if the number of credit hours is at least 55,000 but less than 60,000;~~
- 26                   k. ~~1.50 if the number of credit hours is at least 50,000 but less than 55,000;~~
- 27                   l. ~~1.55 if the number of credit hours is at least 45,000 but less than 50,000;~~
- 28                   m. ~~1.60 if the number of credit hours is at least 40,000 but less than 45,000;~~
- 29                   n. ~~1.65 if the number of credit hours is at least 35,000 but less than 40,000;~~
- 30                   o. ~~1.70 if the number of credit hours is at least 30,000 but less than 35,000;~~
- 31                   p. ~~1.75 if the number of credit hours is at least 25,000 but less than 30,000;~~

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- 1 q. 1.80 if the number of credit-hours is at least 20,000 but less than 25,000;
- 2 f. 1.85 if the number of credit-hours is at least 15,000 but less than 20,000;
- 3 s. 1.90 if the number of credit-hours is at least 10,000 but less than 15,000;
- 4 t. 1.95 if the number of credit-hours is at least 5,000 but less than 10,000; and
- 5 u. 2.00 if the number of credit-hours is less than 5,000.
- 6 ~~a. 1.00 if the number of credit-hours is at least 1,000,000;~~
- 7 ~~b. 1.10 if the number of credit-hours is at least 400,000 but less than 1,000,000;~~
- 8 ~~c. 1.15 if the number of credit-hours is at least 200,000 but less than 400,000;~~
- 9 ~~d. 1.35 if the number of credit-hours is at least 100,000 but less than 200,000;~~
- 10 ~~e. 1.50 if the number of credit-hours is at least 50,000 but less than 100,000; and~~
- 11 ~~f. 1.75 if the number of credit-hours is less than 50,000.~~
- 12 a. 1.00 if the number of credit-hours is at least 240,000;
- 13 b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
- 14 c. 1.10 if the number of credit-hours is at least 120,000 but less than 180,000;
- 15 d. 1.15 if the number of credit-hours is at least 90,000 but less than 120,000;
- 16 e. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;
- 17 f. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;
- 18 g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
- 19 h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
- 20 i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
- 21 j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
- 22 k. 1.80 if the number of credit-hours is less than 30,000.
- 23 2. If the square footage of an institution, when divided by the institution's weighted credit-
- 24 hours results in a quotient greater than 5.00, the state board of higher education shall
- 25 multiply the product determined under section 15-18.2-02 by a factor of 1.00. For
- 26 purposes of this subsection, the square footage of an institution includes real property
- 27 as determined by the state board of higher education in accordance with section
- 28 15-18.2-04.
- 29 3. If the number of credit-hours completed by an institution causes a decrease in the
- 30 credit completion factor for that institution, the new credit completion factor shall not be
- 31 in effect for calculation purposes for the first two fiscal years following the change.



1       4. For purposes of this section, the number of credit-hours must be those determined by  
2           the state board of higher education in accordance with section 15-18.2-01.

3       **SECTION 15. AMENDMENT.** Section 15-18.2-04 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5       **15-18.2-04. Institutional size factor - Determination.**

6       1. For each institution under its control, the state board of higher education shall multiply  
7           the product determined under section 15-18.2-03 by a size factor of:

8           a. 1.0 if the square footage of the institution, when divided by the institution's  
9           weighted credit-hours results in a quotient of less than 5.00; or

10          b. ~~4.817~~ if the square footage of the institution, when divided by the institution's  
11           weighted credit-hours results in a quotient of 5.00 or more.

12       2. For purposes of this section, an institution's square footage:

13          a. Includes all real property owned by the state within an institution's perimeter,  
14           except for agricultural experiment stations, agricultural research extension  
15           centers, technology parks, and state agencies; and

16          b. Is determined as of June thirtieth in each odd-numbered year.

17       **SECTION 16. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19       **15-18.2-05. Base funding - Determination of state aid.**

20       In order to determine the state aid payment to which each institution under its control is  
21 entitled, the state board of higher education shall multiply the product determined under section  
22 15-18.2-04 by a base amount of:

23       1. ~~\$66.35~~~~\$71.00~~~~\$72.63~~ in the case of North Dakota state university and the university of  
24           North Dakota;

25       2. ~~\$95.57~~~~\$105.10~~~~\$107.33~~ in the case of Dickinson state university, Mayville state  
26           university, Minot state university, and Valley City state university; and

27       3. ~~\$98.75~~ in the case of ~~Minot state university~~;

28       4. ~~\$101.73~~~~\$112.46~~~~\$114.88~~ in the case of Bismarck state college, Dakota college at  
29           Bottineau, Lake Region state college, ~~and~~ North Dakota state college of science; and

30       5. ~~\$104.88~~ in the case of ~~Williston state college~~.

1       **SECTION 17.** Chapter 15-62.4 of the North Dakota Century Code is created and enacted  
2 as follows:

3       **15-62.4-01. Student financial assistance program.**

4       The state board of higher education shall administer the North Dakota student financial  
5 assistance program for the purpose of providing a grant to an individual who demonstrates  
6 significant financial need and who:

- 7       1.   a.   Graduated from a high school in this state;  
8       b.   Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;  
9       c.   Graduated from a nonpublic high school in a bordering state while residing with a  
10      custodial parent in this state; ~~or~~  
11      d.   Completed a program of home education supervised in accordance with chapter  
12      15.1-23; or  
13      e.   Received a general educational development high school diploma from the  
14      superintendent of public instruction;  
15      2.   a.   Is enrolled at an accredited institution of higher education in this state, provided  
16      the institution offers a program of instruction equal to at least two academic  
17      years; or  
18      b.   Because of a medically certifiable disability is enrolled at an accredited institution  
19      of higher education outside of this state which offers the individual special  
20      services or facilities not available in this state, provided the institution offers a  
21      program of instruction equal to at least two academic years; and  
22      3.   Is pursuing a course of study determined by the state board of higher education to be  
23      at least quarter-time.

24      **15-62.4-02. Student financial assistance program - Criteria and procedures.**

25      The state board of higher education shall adopt:

- 26      1.   Criteria governing the application process;  
27      2.   Criteria governing the determination of financial need, which must include  
28      consideration of parental contributions to educational expenses;  
29      3.   Criteria governing the selection process; and  
30      4.   Procedures for providing fiscal control, fund accounting, and reports.

1        **15-62.4-03. Student financial assistance program - Grants.**

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

14       **15-62.4-04. Student financial assistance program - Advisory board.**

- 15       1. The student financial assistance advisory board is created for the purposes of:  
16       a. Providing advice to the state board of higher education regarding the student  
17       financial assistance program; and  
18       b. Functioning as a liaison between the state board of higher education and the  
19       institutions of higher education participating in the student financial assistance  
20       program.  
21       2. a. The student financial assistance advisory board consists of:  
22       (1) Three financial aid officers;  
23       (2) A chief financial officer;  
24       (3) A high school counselor; and  
25       (4) A student enrolled at an institution of higher education in this state.  
26       b. All members must be appointed by the state board of higher education.  
27       c. All members other than the student must be employed by an educational  
28       institution in this state.  
29       d. No more than one member may be employed by the same educational institution  
30       as another member.

1       3. The state board of higher education shall determine the terms of the student financial  
2           assistance advisory board members and establish any necessary rules of operation  
3           and procedure.

4       4. Each member of the student financial assistance advisory board is entitled to  
5           reimbursement for expenses, as provided by law for state officers, if the member is  
6           attending meetings or performing duties directed by the advisory board.

7       **15-62.4-05. Student financial assistance program - Gifts and grants - Acceptance.**

8       The state board of higher education may receive, administer, and expend moneys from  
9       public and private sources for the purposes of this chapter.

10       **SECTION 18.** Chapter 15-62.5 of the North Dakota Century Code is created and enacted  
11 as follows:

12       **15-62.5-01. Scholars program.**

13       The state board of higher education shall administer the scholars program for the purpose  
14 of providing a merit-based scholarship to an individual who:

- 15       1. a. Graduated from a high school in this state;  
16           b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;  
17           c. Graduated from a nonpublic high school in a bordering state while residing with a  
18           custodial parent in this state; or  
19           d. Completed a program of home education supervised in accordance with chapter  
20           15.1-23;  
21       2. On the ACT, achieved composite scores that ranked the individual at or above the  
22       ninety-fifth percentile among those who took the ACT prior to July first in the calendar  
23       year preceding the individual's enrollment;  
24       3. a. Is enrolled at an accredited institution of higher education in this state that offers  
25           a program of instruction equal to at least two academic years;  
26           b. Because of a medically certifiable disability is enrolled at an accredited institution  
27           of higher education outside of this state that offers the individual special services  
28           or facilities not available in this state, provided the institution offers a program of  
29           instruction equal to at least two academic years; and  
30       4. Is pursuing a course of study determined by the board to be full-time.

1        **15-62.5-02. Scholars program - Criteria and procedures.**

2        The state board of higher education shall adopt:

- 3        1. Criteria governing the application process;  
4        2. Criteria governing the selection process, within the requirements of section  
5        15-62.5-03; and  
6        3. Procedures for providing fiscal control, fund accounting, and reports.

7        **15-62.5-03. Scholars program - Ranking and selection of recipients.**

- 8        1. The state board of higher education shall rank scholars program applicants by their  
9        ACT composite scores.  
10       2. If two or more applicants have the same composite scores, they must be ranked by  
11       the numeric sum of their four scale scores on the ACT.  
12       3. If two or more applicants have the same composite scores and the same numeric sum  
13       of the four scale scores, they must be ranked by the numeric sum of their English and  
14       mathematics scores.  
15       4. The state board of higher education may establish additional criteria to rank applicants  
16       who have the same numeric sum of their English and mathematics scores.  
17       5. Scholarships must be offered to applicants in descending order according to this  
18       ranking until available funds have been expended or until the pool of applicants has  
19       been exhausted.

20       **15-62.5-04. Scholars program - Scholarship amounts - Stipends.**

- 21       1. a. Each semester, the state board of higher education shall provide to an eligible  
22       student a scholarship in an amount not exceeding the tuition charged at the  
23       institution in which the student is enrolled, provided the amount may not exceed  
24       the highest undergraduate semester tuition charged at an institution of higher  
25       education under the control of the state board of higher education.  
26       b. Each quarter the state board of higher education shall provide to an eligible  
27       student a scholarship in an amount not exceeding the tuition charged per quarter  
28       at the institution in which the student is enrolled, provided the amount may not  
29       exceed two-thirds of the highest undergraduate semester tuition charged at an  
30       institution of higher education under the control of the state board of higher  
31       education.

- 1           c. For purposes of this subsection, the rates are calculated using a traditional fall  
2           and spring academic year.
- 3           2. The scholarships provided for under this section are conditioned on the student  
4           maintaining a 3.5 cumulative grade point average, based on a 4.0 grading system.
- 5           3. Any student eligible for a scholarship under this section is also eligible for a stipend in  
6           an amount not exceeding two thousand dollars annually. The state board of higher  
7           education may distribute the stipend on a semester or a quarter basis.
- 8           4. a. A student is not entitled to receive scholarships under this chapter for more than  
9           the equivalent of:
- 10           (1) Eight semesters of full-time enrollment; or  
11           (2) Twelve quarters of full-time enrollment.
- 12           b. Notwithstanding subdivision a, a student is not entitled to receive a scholarship  
13           under this chapter after the student obtains a baccalaureate degree.
- 14           5. The state board of higher education shall forward scholarships and stipends payable  
15           under this chapter directly to the institution in which the student is enrolled.

16           **15-62.5-05. Use of scholarships and stipends - Refund policy.**

17           Scholarships and stipends awarded under this chapter may be applied to defray tuition  
18           charges, fees, room and board charges, and the cost of books and supplies, and for any other  
19           expenses incidental to attending an institution of higher education. If an individual discontinues  
20           attendance before the completion of any semester or quarter for which a scholarship or stipend  
21           has been received, the individual is subject to the refund or repayment policy of the institution at  
22           which the individual was enrolled.

23           ~~SECTION 18. AMENDMENT. Section 15.1-21-02.6 of the North Dakota Century Code is~~  
24           ~~amended and reenacted as follows:~~

25           ~~15.1-21-02.6. North Dakota scholarship -- Amount -- Applicability.~~

26           ~~1. a. (1) The state board of higher education shall provide to any student who~~  
27           ~~graduates from high school before the 2014-15 school year and who is~~  
28           ~~certified as being eligible by the superintendent of public instruction either a~~  
29           ~~North Dakota academic scholarship or a North Dakota career and technical~~  
30           ~~education scholarship in the amount of seven hundred fifty dollars for each~~  
31           ~~semester during which the student is enrolled full time at an accredited~~

1 institution of higher education in this state and maintains a cumulative grade-  
2 point average of at least 2.75 on a 4.0 scale.

3 ~~b. (2) The state board of higher education shall provide to any student who~~  
4 ~~graduates from high school before the 2014-15 school year and who is~~  
5 ~~certified as being eligible by the superintendent of public instruction either a~~  
6 ~~North Dakota academic scholarship or a North Dakota career and technical~~  
7 ~~education scholarship in the amount of five hundred dollars for each quarter~~  
8 ~~during which the student is enrolled full time at an accredited institution of~~  
9 ~~higher education in this state and maintains a cumulative grade point~~  
10 ~~average of at least 2.75 on a 4.0 scale.~~

11 ~~b. (1) The state board of higher education shall provide to any student who~~  
12 ~~graduates from high school during or after the 2014-15 school year and who~~  
13 ~~is certified as being eligible by the superintendent of public instruction either~~  
14 ~~a North Dakota academic scholarship or a North Dakota career and~~  
15 ~~technical education scholarship, in the amount of nine hundred seventy five~~  
16 ~~dollars each semester during which the student is enrolled full time at an~~  
17 ~~accredited institution of higher education in this state and maintains a~~  
18 ~~cumulative grade point average of at least 2.75 on a 4.0 grading scale.~~

19 ~~(2) The state board of higher education shall provide to any student who~~  
20 ~~graduates from high school during or after the 2014-15 school year and who~~  
21 ~~is certified as being eligible by the superintendent of public instruction either~~  
22 ~~a North Dakota academic scholarship or a North Dakota career and~~  
23 ~~technical education scholarship, in the amount of six hundred fifty dollars for~~  
24 ~~each quarter during which the student is enrolled full time at an accredited~~  
25 ~~institution of higher education in this state and maintains a cumulative grade-~~  
26 ~~point average of at least 2.75 on a 4.0 grading scale.~~

27 ~~2. The state board shall monitor each scholarship recipient to ensure that the student~~  
28 ~~meets the academic and other requirements of this section. Upon determining that a~~  
29 ~~recipient student has failed to meet the requirements of this section, the board shall~~  
30 ~~provide notification to the student within ten days.~~

- 1 ~~3. a. Except as provided in this subsection, a student is not entitled to receive more-~~  
2 ~~than six thousand dollars under this section.~~
- 3 ~~b. A student who graduates from high school during or after the 2014-15 school-~~  
4 ~~year is entitled to receive up to seven thousand eight hundred dollars under this-~~  
5 ~~section.~~
- 6 ~~4. The state board of higher education shall forward the scholarship directly to the-~~  
7 ~~institution in which the student is enrolled.~~
- 8 ~~5. a. (1) This section does not require a student to be enrolled in consecutive-~~  
9 ~~semesters.~~
- 10 ~~(2) This section does not require a student to be enrolled in consecutive-~~  
11 ~~quarters.~~
- 12 ~~b. However, a scholarship under this section is valid only for six academic years-~~  
13 ~~after the student's graduation from high school and may not be applied to-~~  
14 ~~graduate programs.~~
- 15 ~~6. A scholarship under this section is available to any eligible resident student who fulfills-~~  
16 ~~the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:~~
- 17 ~~a. Graduates from a high school in this state;~~
- 18 ~~b. Graduates from a high school in a bordering state under chapter 15.1-29;~~
- 19 ~~c. Graduates from a nonpublic high school in a bordering state while residing with a-~~  
20 ~~custodial parent in this state; or~~
- 21 ~~d. Completes a program of home education supervised in accordance with chapter-~~  
22 ~~15.1-23.~~
- 23 ~~7. a. For purposes of North Dakota scholarship eligibility under this section, "full-time"~~  
24 ~~means enrollment in at least twelve credits during a student's first two semesters-~~  
25 ~~and enrollment in at least fifteen credits during each semester thereafter or-~~  
26 ~~enrollment in the equivalent number of credits, as determined by the state board-~~  
27 ~~of higher education, with respect to students in a quarter system.~~
- 28 ~~b. (1) If a student requires fewer than fifteen credits to graduate, the student may-~~  
29 ~~retain scholarship eligibility by enrolling in fewer than fifteen but at least-~~  
30 ~~twelve credits during the semester, or the equivalent number of credits, as-~~



determined by the state board of higher education, with respect to students in a quarter system.

~~(2) Students who graduated from high school during the 2009-10 or the 2010-11 school year and who have completed six semesters may retain scholarship eligibility by enrolling in only twelve credits during each of the student's final two semesters, or the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.~~

~~(3) The requirement that a student be enrolled in at least fifteen credits, as set forth in subdivision a, does not apply in the case of a student participating in a clinical, practicum, internship, cooperative program, or similar external experience, provided the external experience is equivalent to at least twelve units, or such similar amount as determined by the state board of higher education, with respect to students in a quarter system, and considered to be a "full time" placement for purposes of meeting graduation requirements.~~

~~**SECTION 21.** A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:~~

~~**State board of higher education audits.**~~

~~1. The state auditor shall employ an audit manager to perform all audit related functions of the state board of higher education, including the examination and evaluation of the adequacy and effectiveness of the board's governance, risk management, internal controls, and performance of constitutionally and statutorily required duties. The audit manager shall conduct audits, as determined appropriate by the state auditor, of each institution under the supervision and control of the state board of higher education. The audit manager shall consult with the state board of higher education, or a committee designated by the board, regarding audit plans, results of audit activities, and any other appropriate issue. This section does not require the state auditor to perform any duties that would compromise the auditor's independence under government auditing standards.~~

~~2. The audit manager may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family~~

~~Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the audit manager must be considered an agent of the state board of higher education.~~

~~3. The state auditor may hire employees necessary to carry out the duties and responsibilities of this section. The state auditor may hire consultants to assist with any duties required under this section subject to approval by the legislative audit and fiscal review committee. The state board of higher education shall pay for the cost of any consultant approved under this section.~~

**SECTION 19.** A new subsection to a new section to chapter 54-10, as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, is created and enacted as follows:

4. This section does not prohibit the state board of higher education from employing internal audit staff or contracting for internal audit services.

**SECTION 20. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the board of higher education, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant

1 attorneys general appointed by the attorney general pursuant to this section. Absent  
2 good cause, the attorney general shall appoint as special assistant attorneys general  
3 licensed attorneys selected by these entities. The attorney general may revoke the  
4 appointment only for good cause or upon the request of the entity. Good cause means  
5 an inadequate level of experience, competence, or ethical standards.

6 2. The powers conferred upon special assistant attorneys general are the same as are  
7 exercised by the regular assistant attorneys general, unless the powers are limited  
8 specifically by the terms of the appointment. Except as otherwise provided by this  
9 section, an appointment is revocable at the pleasure of the attorney general. The  
10 appointment may be made with or without compensation, and when compensation is  
11 allowed by the attorney general for services performed, the compensation must be  
12 paid out of the funds appropriated therefor.

13 3. The attorney general may require payment for legal services rendered by any  
14 assistant or special assistant attorney general to any state official, board, department,  
15 agency, or commission and those entities shall make the required payment to the  
16 attorney general. Moneys received by the attorney general in payment for legal  
17 services rendered must be deposited into the attorney general's operating fund.  
18 General fund moneys may not be utilized for the payment of legal services provided by  
19 the attorneys employed by the attorney general, except for those payments required of  
20 the department of human services, state department of health, and the state hospital.

21 4. An assistant or special assistant attorney general appointed to represent the state  
22 board of higher education or an institution under the control of the state board of  
23 higher education may access and examine any record under the control of the state  
24 board of higher education. For purposes of reviewing records under the Family  
25 Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal  
26 privacy law, the assistant or special assistant attorney general is considered a state  
27 educational official authorized to access student records.

28 **SECTION 21. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1           **54-44.1-04. Budget estimates of budget units filed with the office of the budget -**  
2 **Deadline.**

3           The head of each budget unit, not later than July fifteenth of each year next preceding the  
4 session of the legislative assembly, shall submit to the office of the budget, estimates of  
5 financial requirements of the person's budget unit for the next two fiscal years, on the forms and  
6 in the manner prescribed by the office of the budget, with such explanatory data as is required  
7 by the office of the budget and such additional data as the head of the budget unit wishes to  
8 submit. The estimates of financial requirements for budget units under the control of the state  
9 board of higher education must be made using the same forms, supporting information, and  
10 documentation as other budget units. Any request for a new full-time or part-time permanent  
11 position included in a budget unit's estimate of its financial requirements for the next two fiscal  
12 years must include documentation justifying the need for the position. The documentation must  
13 describe the circumstances resulting in the need for the position and identify the number of  
14 hours the position will be involved in specific types of activities and the anticipated outcomes of  
15 the activities. The estimates so submitted must bear the approval of the board or commission of  
16 each budget unit for which a board or commission is constituted. The director of the budget may  
17 extend the filing date for any budget unit if the director finds there is some circumstance that  
18 makes it advantageous to authorize the extension. If a budget unit has not submitted its  
19 estimate of financial requirements by the required date or within a period of extension set by the  
20 director of the budget, the director of the budget shall prepare the budget unit's estimate of  
21 financial requirements except the estimate may not exceed ninety percent of the budget unit's  
22 previous biennial appropriation. The director of the budget or a subordinate officer as the  
23 director shall designate shall examine the estimates and shall afford to the heads of budget  
24 units reasonable opportunity for explanation in regard thereto and, when requested, shall grant  
25 to the heads of budget units a hearing thereon which must be open to the public.

26           **SECTION 22. AMENDMENT.** Subsection 4 of section 54-44.1-06 of the North Dakota  
27 Century Code is amended and reenacted as follows:

28           4. Detailed comparative statements of expenditures and requests for appropriations by  
29 funds, budget units and classification of expenditures, showing the expenditures for  
30 the previous biennium, the first fiscal year of the present biennium, the budget of the  
31 current biennium, and the governor's recommendation for appropriations for each

1 budget unit for the next biennium, all distributed according to the prescribed  
2 classification of expenditures. Following the lists of actual and proposed expenditures  
3 of each budget unit there must be a brief explanation of the functions of the unit and  
4 comments on its policies and plans and on any considerable differences among the  
5 amounts recommended, with any descriptive, quantitative, comparative, and other  
6 data as to work done, unit costs, and like information as may be considered necessary  
7 or desirable. For capital outlay expenditures involving construction projects to be  
8 completed in two or more fiscal years, there must be shown the total estimated cost of  
9 each such project and the amount thereof recommended to be appropriated and  
10 expended in each ensuing fiscal year until completion of the project. Capital outlay  
11 needs may be projected for at least two years beyond the period covered by the  
12 budget. The detailed comparative statements of budget units under the control of the  
13 state board of higher education must include the same information presented for other  
14 budget units.

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

17 **54-44.1-11. (Effective through July 31, 2015~~2017~~) Office of management and budget to**  
18 **cancel unexpended appropriations - When they may continue.**

19 Except as otherwise provided by law, the office of management and budget, thirty days after  
20 the close of each biennial period, shall cancel all unexpended appropriations or balances of  
21 appropriations after the expiration of the biennial period during which they became available  
22 under the law. Unexpended appropriations for the state historical society are not subject to this  
23 section and the state historical society shall report on the amounts and uses of funds carried  
24 over from one biennium to the appropriations committees of the next subsequent legislative  
25 assembly. Unexpended appropriations for the North Dakota university system are not subject to  
26 this section and the North Dakota university system shall report on the amounts and uses of  
27 funds carried over from one biennium to the next to subsequent appropriations committees of  
28 the legislative assembly. The chairmen of the appropriations committees of the senate and  
29 house of representatives of the legislative assembly with the office of the budget may continue  
30 appropriations or balances in force for not more than two years after the expiration of the

1 biennial period during which they became available upon recommendation of the director of the  
2 budget for:

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

14 **(Effective after July 31, ~~2015~~2017) Office of management and budget to cancel**

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

- 26 1. New construction projects.
- 27 2. Major repair or improvement projects.
- 28 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was  
29 ordered during the first twelve months of the biennium in which the funds were  
30 appropriated.

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

7        **SECTION 24. REPEAL.** Chapter 15-62.2 of the North Dakota Century Code is repealed.

8        **SECTION 25. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY -**

9        **LEGISLATIVE MANAGEMENT REPORT.** The following line items contained in subdivision 1 of

10        section 1 of this Act include funding that may be transferred in full or in part as provided in this

11        section for the period beginning with the effective date of this Act and ending June 30, 2017, by

12        the state board of higher education to the institutions and entities under its control as follows:

- 13        1.    The deferred maintenance funding pool line item includes funding that must be used ~~to~~
- 14            ~~address deferred maintenance and other infrastructure needs at institutions based on~~
- 15            ~~university system master plan and space utilization studies~~for eligible projects to
- 16            address deferred maintenance at institutions identified in this subsection. To be eligible
- 17            to receive funding under this subsection, a project must be identified in campus master
- 18            plan and space utilization studies and be approved by the board. The maximum
- 19            amount that may be transferred to each institution from the funding pool is as follows:

- 20            a.    \$3,500,000 to North Dakota state university;
- 21            b.    \$3,500,000 to the university of North Dakota;
- 22            c.    \$700,000 to Bismarck state college;
- 23            d.    \$500,000 to Mayville state university; and
- 24            e.    \$500,000 to lake region state college.

- 25        2.    The education incentive programs line item includes funding that may be allocated to
- 26            education incentive programs based on program eligibility criteria and the reduction or
- 27            elimination of specific programs as determined by the board.
- 28        3.    The campus security funding pool line item includes funding that must be used to
- 29            address security needs at institutions based on campus risk and security
- 30            assessments.

1           4.    The ~~extraordinary repairs funding pool line item includes funding that must be used to~~  
2           ~~address infrastructure needs at institutions and forest service facilities based on~~  
3           ~~university system master plan and space utilization studies and identified needs of the~~  
4           ~~forest service~~internal audit funding pool line item includes funding that must be used  
5           for systemwide and campus internal audit purposes.

6    ~~The state board of higher education may not transfer any funding from the deferred~~  
7    ~~maintenance funding pool or the extraordinary repairs funding pool to an institution or entity~~  
8    ~~under its control unless the institution or entity has submitted a comprehensive space utilization~~  
9    ~~study to the board. The comprehensive space utilization study must include a review of current~~  
10   ~~space for instruction, academic support, student services, and administration; the current~~  
11   ~~utilization of each type of space; and the projected future needs for each type of space. The~~  
12   state board of higher education shall provide reports to the legislative management during the  
13   2015-16 interim regarding distributions from the deferred maintenance, campus security, and  
14   ~~extraordinary repairs~~internal audit funding pools.

15           **SECTION 26. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the  
16   biennium beginning July 1, 2015, and ending June 30, 2017, each capital project authorized by  
17   the state board of higher education must have adequate project management oversight by  
18   either an institution official or a representative of an external entity. An institution may seek  
19   assistance from the university system office for project management oversight of a capital  
20   project.

21           **SECTION 27. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL -**  
22   **REAUTHORIZATION - BUDGET SECTION REPORT.** In addition to the funds appropriated in  
23   section 1 of this Act, North Dakota state university may use unspent state funding from the  
24   \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending  
25   June 30, 2009, and unspent state funding from the \$13,000,000 appropriation received during  
26   the biennium beginning July 1, 2009, and ending June 30, 2011, and special funds derived from  
27   insurance litigation settlement and other local institutional funds, to a total of \$23,474,300 for  
28   the Minard hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.  
29   North Dakota state university shall report to the budget section regarding the status of the  
30   Minard hall project and may request increased spending authorization from the budget section  
31   for the project.



1       **SECTION 28. MINOT STATE UNIVERSITY - FOOTBALL STADIUM PRESS BOX -**

2       **REAUTHORIZATION.** Minot state university may use up to \$4,000,000 in private funds from the  
3 city of Minot and \$1,000,000 in local institutional funds for the completion of the football stadium  
4 press box during the biennium period beginning July 1, 2015 with the effective date of this Act,  
5 and ending June 30, 2017.

6       **SECTION 29. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act

7 includes the sum of ~~\$1,004,744~~\$3,504,744, or so much of the sum as may be necessary, from  
8 the student loan trust fund, of which \$465,307 is for the professional student exchange  
9 program, \$500,000 is for grants to tribally-controlled community colleges, \$2,000,000 is for  
10 campus leadership transition costs at Dickinson state university, and \$539,437 is for connectND  
11 campus solution positions, for the biennium beginning July 1, 2015, and ending June 30, 2017.

12       **SECTION 30. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**

13 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act

14 includes a funding allocation from the higher education per student credit-hour funding formula  
15 attributable to inflation during the biennium beginning July 1, 2015, and ending June 30, 2017. A  
16 minimum of twenty-five percent of the allocation must be transferred by the state board of  
17 higher education to the university of North Dakota school of medicine and health sciences.

18       **SECTION 31. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,

19 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources  
20 for competitive grants or other funds that the legislative assembly has not indicated the intent to  
21 reject, including tuition revenue, received by the state board of higher education and the

22 institutions and entities under the control of the state board of higher education, are

23 appropriated to the board and those institutions and entities, for the biennium beginning July 1,  
24 2015, and ending June 30, 2017. All additional funds received under the North Dakota-

25 Minnesota reciprocity agreement during the biennium beginning July 1, 2015, and ending June  
26 30, 2017, are appropriated to the state board of higher education for reimbursement to  
27 institutions under the control of the board.

28       **SECTION 32. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2015,

29 and ending June 30, 2017, the state board of higher education determines that funds allocated  
30 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds

1 from operations to capital assets. The board shall report any transfer of funds under this section  
2 to the office of management and budget.

3 **SECTION 33. EXEMPTION - USE OF 2013-15 BIENNIUM APPROPRIATIONS -**

4 **CONTINGENT APPROPRIATION REDUCTION.** ~~The amount~~ Of the \$5,000,000 appropriated  
5 ~~for from the general fund in~~ the performance funding pool line item in section 1 of chapter 34 of  
6 the 2013 Session Laws, \$1,000,000 is not subject to section 54-44.1-11 and ~~any unexpended~~  
7 ~~funds in this line item~~ must be canceled by the office of management and budget on the  
8 effective date of this section. ~~The~~ Pursuant to section 54-44.1-11, the sum of \$4,000,000  
9 appropriated in the performance funding pool line item of subdivision 1 of section 1 of  
10 chapter 34 of the 2013 Session Laws may be continued into the biennium beginning July 1,  
11 2015, and ending June 30, 2017. Of the unexpended appropriation, the state board of higher  
12 education shall transfer \$1,500,000 to Williston state college, \$1,500,000 to Dickinson state  
13 university, \$500,000 to Minot state university, and \$500,000 to Dakota college at Bottineau for  
14 deferred maintenance and extraordinary campus needs. The board shall transfer a prorated  
15 amount if sufficient funding is not available to provide for full transfers. Excluding the transfers  
16 authorized in this section, the office of management and budget shall reduce the general fund  
17 appropriation authority included in the system governance line item contained in subdivision 1  
18 of section 1 of this Act in an amount equal to any appropriation used from the performance  
19 funding pool line item contained in section 1 of chapter 34 of the 2013 Session Laws.

20 **SECTION 34. EXEMPTION - ~~TRANSFER - GRANT.~~** The sum of \$750,000 from the general  
21 fund is appropriated in the capital assets line item in subdivision 5 of section 1 of chapter 34 of  
22 the 2013 Session Laws for the university of North Dakota school of medicine and health  
23 sciences Bismarck family practice center skywalk project. ~~Pursuant to section 54-44.1-11,~~  
24 ~~\$200,000 of the unexpended appropriation authority for the project must be continued into the~~  
25 ~~biennium beginning July 1, 2015, and ending June 30, 2017, and must be transferred to the~~  
26 ~~university system office for the purpose of providing a grant to the North Dakota humanities~~  
27 ~~council for the development of elementary and secondary civics education.~~ Any remaining  
28 unexpended appropriation authority for the project is not subject to section 54-44.1-11 and the  
29 office of management and budget shall cancel the remaining unexpended appropriation  
30 authority on the effective date of this section.

1 ~~— **SECTION 37. STATE FLEET REIMBURSEMENT – TRANSFER.** Notwithstanding any other~~  
2 ~~provision of law, the university of North Dakota shall transfer the sum of \$375,000 to the~~  
3 ~~department of transportation for costs associated with previous use by the institution of state~~  
4 ~~fleet services motor coaches and North Dakota state university shall transfer the sum of~~  
5 ~~\$375,000 to the department of transportation for costs associated with previous use by the~~  
6 ~~institution of state fleet services motor coaches. The university of North Dakota and North~~  
7 ~~Dakota state university shall transfer the funds as directed under this section to the department~~  
8 ~~of transportation prior to January 1, 2016.~~

9 ~~— **SECTION 38. STATE BOARD OF HIGHER EDUCATION – EVALUATION OF**~~  
10 ~~**EMPLOYEES.** The state board of higher education shall conduct or contract for comprehensive~~  
11 ~~performance evaluations of the president and each individual designated as a vice president of~~  
12 ~~an institution under the supervision and control of the board and of the commissioner of higher~~  
13 ~~education and each individual within the university system office with the title of "vice~~  
14 ~~chancellor". Each performance review must include participation and input from the individual's~~  
15 ~~subordinates, peers, supervisors, and other appropriate individuals, as well as the individual~~  
16 ~~being evaluated. Each performance review must include an analysis of the individual's~~  
17 ~~contribution and performance in leadership, teamwork, interpersonal communication,~~  
18 ~~management, contribution, work habits, interpersonal interaction, and accountability.~~  
19 ~~Notwithstanding any provision of law, any record created or collected in the conduct of a~~  
20 ~~performance review under this section and the report of each performance review is a public~~  
21 ~~record. This section does not apply to any individual who has served in their respective position~~  
22 ~~for less than three years as of July 1, 2015.~~

23 **SECTION 35. EXEMPTION - THEODORE ROOSEVELT CENTER PROJECT -**  
24 **APPROPRIATION CANCELLATION.** Section 3 of chapter 34 of the 2013 Session Laws  
25 includes the sum of \$6,000,000 from the general fund appropriated to Dickinson state university  
26 for the Theodore Roosevelt center project. Section 4 of chapter 49 of the 2013 Session Laws  
27 includes the sum of \$6,000,000 from the general fund appropriated to Dickinson state university  
28 for the Theodore Roosevelt center project. Notwithstanding section 54-44.1-11, the office of  
29 management and budget shall cancel these appropriations on July 1, 2016, unless Dickinson  
30 state university certifies to the office of management and budget that a site has been selected

1 for the Theodore Roosevelt center, construction plans have been developed for the project, and  
2 construction on the center will commence prior to January 1, 2017.

3 **SECTION 36. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding  
4 any other provisions of law, the state board of higher education may adjust full-time equivalent  
5 positions as needed, subject to the availability of funds, for institutions and entities under its  
6 control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North  
7 Dakota university system shall report any adjustments to the office of management and budget  
8 before the submission of the 2017-19 biennium budget request.

9 **SECTION 37. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of  
10 higher education, in accordance with chapter 15-55, may arrange for the funding of projects  
11 authorized in this section, declared to be in the public interest, through the issuance of  
12 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the  
13 effective date of this section and ending June 30, 2017. Evidences of indebtedness issued  
14 pursuant to this section are not a general obligation of the state of North Dakota. Any  
15 unexpended balance resulting from the proceeds of the evidences of indebtedness must be  
16 placed in a sinking fund to be used for the retirement of indebtedness. The evidences of  
17 indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the  
18 following capital projects:

19 Dakota college at Bottineau - dormitory renovations	\$2,900,000
20 North Dakota state university - aquatic center	<u>10,000,000</u>
21 Total special funds	\$12,900,000

22 **SECTION 38. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS -**

23 **LEGISLATIVE MANAGEMENT REPORT.** The capital assets line items in subdivisions 2  
24 through 12 of section 1 of this Act include funding for institution extraordinary repairs. An  
25 institution shall provide two dollars of matching funds from operations or other sources for each  
26 one dollar of extraordinary repairs funding used for a project. An institution may not use a  
27 transfer from the deferred maintenance funding pool to provide matching funds under this  
28 section. This section does not apply to funding provided for repairs and maintenance of the  
29 North Dakota museum of art facility. During the 2015-16 interim, the state board of higher  
30 education shall provide a report to the legislative management regarding the use of  
31 extraordinary repairs funding and related matching funds.

1       **SECTION 39. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION**

2       **APPROVAL.**

- 3       1.   Notwithstanding any other provision of law, the state board of higher education may  
4           not increase tuition rates for students attending institutions of higher education under  
5           its control during the 2015-16 academic year by more than two and one-half percent  
6           as compared to the tuition rate in effect during the 2015 spring semester unless the  
7           board receives prior budget section approval.
- 8       2.   Notwithstanding any other provision of law, the state board of higher education may  
9           not increase tuition rates for students attending institutions of higher education under  
10          its control during the 2016-17 academic year by more than two and one-half percent  
11          as compared to the tuition rate in effect during the 2016 spring semester unless the  
12          board receives prior budget section approval.
- 13      3.   For purposes of this section, an institution must calculate a tuition rate increase based  
14          on the tuition rate paid by an average full-time student. Any adjustments to a tuition  
15          rate resulting from a change in an institution's method of charging tuition, including the  
16          addition of fees to tuition rates or charging tuition based on a per-credit rate, must be  
17          included in tuition rate calculations under this section.
- 18      4.   This section does not apply to tuition rates determined under tuition reciprocity  
19          agreements entered into by the state board of higher education with other states or  
20          state education compacts.
- 21      5.   This section does not apply to tuition rates charged for programs offered through the  
22          university of North Dakota school of medicine and health sciences.

23      **SECTION 40. LEGISLATIVE MANAGEMENT REPORT - DICKINSON STATE**

24      **UNIVERSITY.** Before July 1, 2016, the state board of higher education shall provide a report to  
25      the legislative management regarding the operations of Dickinson state university. The report  
26      must detail the financial condition of the institution and board directives and plans to improve  
27      the financial stability of the institution.

28      **SECTION 41. LEGISLATIVE INTENT - ATTORNEY SALARIES.** It is the intent of the  
29      sixty-fourth legislative assembly that all assistant attorneys general employed in the office of the  
30      attorney general, including attorneys assigned to higher education issues, be provided salary

1 and benefits in accordance with uniform salary and benefits schedules established by the  
2 attorney general.

3 **SECTION 42. STATE BOARD OF HIGHER EDUCATION DATA INCONSISTENCIES -**  
4 **REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** During the biennium beginning  
5 July 1, 2015, and ending June 30, 2017, the state board of higher education shall evaluate the  
6 following data inconsistency issues at institutions and entities under its control and develop  
7 policies and procedures to correct the inconsistencies:

- 8 1. Lack of integration of personal and demographic information among computer  
9 systems;
- 10 2. Lack of use of standard chart of accounts for financial reporting and standard  
11 department budget table deduction and tax override flags;
- 12 3. Absence of standard business processes for recording mandatory fees and for  
13 changing payroll funding source information;
- 14 4. Inconsistent methods and procedures at institutions for recording high school  
15 completions, identifying student cohorts for reporting purposes, and classifying agency  
16 funds;
- 17 5. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting  
18 students, using purchasing card, charging tuition and fees, and accruing of faculty sick  
19 leave;
- 20 6. Inconsistent coding and naming for bad debt expense and journal entries;
- 21 7. Use of shadow accounting systems for reporting purposes; and
- 22 8. Inconsistent definitions for a distance education student, a resident student for tuition  
23 purposes, and a full-time student for federal tax purposes.

24 The state board of higher education shall provide a report to the appropriations committees of  
25 the sixty-fifth legislative assembly regarding the status of the inconsistencies, including policies  
26 and procedures implemented to correct the inconsistencies.

27 **SECTION 43. HIGHER EDUCATION INSTITUTION PERMANENT FUNDS - REPORT TO**  
28 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The state board of higher education shall provide a  
29 report to the appropriations committees of the sixty-fifth legislative assembly regarding the use  
30 of funds received by institutions under its control from permanent fund income established for  
31 the benefit of the institutions in section 1 of article IX of the Constitution of North Dakota.

1       **SECTION 44. EXTRAORDINARY CAMPUS NEEDS FUNDING - REPORT TO THE**  
2 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The operations line item in subdivision 4 of section 1  
3 of this Act includes the sum of \$2,500,000 for extraordinary campus needs at Williston state  
4 college. Williston state college shall provide a report to the appropriations committees of the  
5 sixty-fifth legislative assembly regarding the use of this funding and the need to continue the  
6 funding in to the biennium beginning July 1, 2017, and ending June 30, 2019.

7       **SECTION 45. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION COURSE**  
8 **DELIVERY METHODS.** During the 2015-16 interim, the legislative management shall consider  
9 studying the delivery methods of higher education courses offered by institutions under the  
10 control of the state board of higher education. The study, if conducted, must include a review of  
11 current methods of distance education offered by institutions, options to improve delivery  
12 methods, revenue generated by each type of delivery method, and how course delivery  
13 methods may affect future campus infrastructure needs. The legislative management shall  
14 report its findings and recommendations, together with any legislation required to implement the  
15 recommendations, to the sixty-fifth legislative assembly.

16       **SECTION 46. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION MISSIONS.** During  
17 the 2015-16 interim, the legislative management shall ~~study~~~~consider~~ ~~studying~~ the missions of all  
18 two-year institutions and the missions of any other institutions under the control of the state  
19 board of higher education, as determined by the legislative management, including the  
20 feasibility and desirability of the institutions offering only workforce and career and technical  
21 education programs. The study must review the current missions of the institutions, current and  
22 projected course and program enrollments, projected workforce needs, including how the  
23 institutions can serve the needs, and options to increase operating efficiencies. The legislative  
24 management shall report its findings, together with any legislation necessary to implement the  
25 findings, to the sixty-fifth legislative assembly.

26       **SECTION 47. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION ADMINISTRATION**  
27 **COSTS.** During the 2015-16 interim, the legislative management shall consider studying  
28 administrative costs at institutions under the control of the state board of higher education. The  
29 study, if conducted, must review the number of administrator positions at each institution, the  
30 number of new administrator positions added at each institution during the previous five  
31 academic years, the total salaries and benefits associated with the administrator positions, the



1 average salaries and benefits for administrator positions at each institution for each of the  
2 previous five fiscal years, the percentage of overall institution operating costs attributable to  
3 administration, and options to provide future increased legislative appropriations to institutions  
4 specifically for instructional purposes. The legislative management shall report its findings,  
5 together with any legislation necessary to implement the findings, to the sixty-fifth legislative  
6 assembly.

7 **SECTION 48. EMERGENCY.** Sections ~~10, 27, 35, and 36~~9, 25, 28, 33, 34, and 37 and the  
8 capital assets, ~~extraordinary repairs pool~~, campus security pool, and deferred maintenance pool  
9 line items in section 1 of this Act are declared to be an emergency measure.