

15.8111.04000

Sixty-fourth  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1003**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota  
2 university system; to create and enact five new sections to chapter 15-10, chapters 15-62.4 and  
3 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, audits of  
8 higher education computer systems, annual reports regarding scholarships, the student  
9 financial assistance program, the scholars program, and higher education audits; to amend and  
10 reenact subdivision c of subsection 1 of section 15-10-17, sections 15-18.2-02, 15-18.2-03,  
11 15-18.2-04, 15-18.2-05, 54-12-08, and 54-44.1-04, subsection 4 of section 54-44.1-06, and  
12 section 54-44.1-11 of the North Dakota Century Code, relating to university system office  
13 personnel, state aid to institutions, attorneys hired by the state board of higher education,  
14 budget requests submitted to the office of the budget, preparation of budget data, and the  
15 cancellation of unexpended appropriations; to repeal chapter 15-62.2 of the North Dakota  
16 Century Code, relating to the student financial assistance program and the scholars program; to  
17 provide for the transfer of funds; to authorize the state board of higher education to issue and  
18 sell bonds for capital projects; to limit tuition rate increases; to reauthorize projects for North  
19 Dakota state university and Minot state university; to provide for budget section reports; to  
20 provide for reports to the sixty-fifth legislative assembly; to provide for legislative management  
21 reports and studies; to provide contingent appropriations to the state board of higher education;  
22 to provide exemptions; and to declare an emergency.

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

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

8       Subdivision 1.

9                                   NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
12	Capital assets - bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836
13	Competitive research program	7,050,000	0	7,050,000
14	System governance	12,666,502	(4,702,515)	7,963,987
15	Title II	1,006,472	0	1,006,472
16	Core technology services	38,662,551	7,318,414	45,980,965
17	Student financial assistance grants	21,245,679	4,388,597	25,634,276
18	Professional student exchange program	4,275,015	0	4,275,015
19	Academic and technical education	10,000,000	4,054,677	14,054,677
20	scholarships			
21	Two-year campus marketing	800,000	0	800,000
22	Scholars program	2,113,584	0	2,113,584
23	Native American scholarships	649,267	0	649,267
24	Tribally controlled community college grants	1,000,000	0	1,000,000
25	Education incentive programs	3,349,000	0	3,349,000
26	Student mental health	282,520	33,480	316,000
27	Veterans assistance grants	325,000	0	325,000
28	Deferred maintenance pool	0	5,000,000	5,000,000
29	Campus security pool	0	3,000,000	3,000,000
30	Open education resources training	0	110,000	110,000
31	Internal audit pool	0	300,000	300,000

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1	Contract and leave payouts	<u>0</u>	<u>250,000</u>	<u>250,000</u>
2	Total all funds	\$113,861,635	\$17,685,444	\$131,547,079
3	Less estimated income	<u>2,299,912</u>	<u>211,304</u>	<u>2,511,216</u>
4	Total general fund	\$111,561,723	\$17,474,140	\$129,035,863
5	Full-time equivalent positions	112.91	(8.52)	104.39
6	Subdivision 2.			

BISMARCK STATE COLLEGE

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Operations	\$32,653,654	\$2,943,192	\$35,596,846
11	Capital assets	<u>417,673</u>	<u>3,532,600</u>	<u>3,950,273</u>
12	Total all funds	\$33,071,327	\$6,475,792	\$39,547,119
13	Less estimated income	<u>0</u>	<u>600,000</u>	<u>600,000</u>
14	Total general fund	\$33,071,327	\$5,875,792	\$38,947,119
15	Full-time equivalent positions	126.96	6.57	133.53
16	Subdivision 3.			

LAKE REGION STATE COLLEGE

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$12,429,097	\$2,514,217	\$14,943,314
21	Capital assets	<u>155,367</u>	<u>1,648,423</u>	<u>1,803,790</u>
22	Total all funds	\$12,584,464	\$4,162,640	\$16,747,104
23	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
24	Total general fund	\$12,584,464	\$4,162,640	\$16,747,104
25	Full-time equivalent positions	40.22	9.97	50.19
26	Subdivision 4.			

WILLISTON STATE COLLEGE

28			Adjustments or	
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Operations	\$12,783,506	(\$157,056)	\$12,626,450
31	Capital assets	<u>197,801</u>	<u>285,000</u>	<u>482,801</u>

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1	Total all funds	\$12,981,307	\$127,944	\$13,109,251
2	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
3	Total general fund	\$12,981,307	\$127,944	\$13,109,251
4	Full-time equivalent positions	44.15	5.81	49.96

5 Subdivision 5.

6 UNIVERSITY OF NORTH DAKOTA

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$149,683,005	\$19,256,679	\$168,939,684
10	Capital assets	<u>4,411,566</u>	<u>74,241,585</u>	<u>78,653,151</u>
11	Total all funds	\$154,094,571	\$93,498,264	\$247,592,835
12	Less estimated income	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
13	Total general fund	\$154,094,571	\$87,498,264	\$241,592,835
14	Full-time equivalent positions	633.60	(3.40)	630.20

15 Subdivision 6.

16 NORTH DAKOTA STATE UNIVERSITY

17			Adjustments or	
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Operations	\$140,341,540	\$15,504,698	\$155,846,238
20	Capital assets	<u>2,732,244</u>	<u>13,191,426</u>	<u>15,923,670</u>
21	Total all funds	\$143,073,784	\$28,696,124	\$171,769,908
22	Less estimated income	<u>0</u>	<u>11,600,000</u>	<u>11,600,000</u>
23	Total general fund	\$143,073,784	\$17,096,124	\$160,169,908
24	Full-time equivalent positions	491.21	45.89	537.10

25 Subdivision 7.

26 NORTH DAKOTA STATE COLLEGE OF SCIENCE

27			Adjustments or	
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$38,181,456	\$5,869,593	\$44,051,049
30	Capital assets	<u>1,012,379</u>	<u>13,573,098</u>	<u>14,585,477</u>
31	Total all funds	\$39,193,835	\$19,442,691	\$58,636,526

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1	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
2	Total general fund	\$39,193,835	\$19,442,691	\$58,636,526
3	Full-time equivalent positions	171.87	(3.57)	168.30
4	Subdivision 8.			

DICKINSON STATE UNIVERSITY

6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Operations	\$26,299,227	\$501,965	\$26,801,192
9	Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
10	Total all funds	\$26,708,305	\$501,965	\$27,210,270
11	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
12	Total general fund	\$26,708,305	\$501,965	\$27,210,270
13	Full-time equivalent positions	100.32	19.94	120.26
14	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$14,364,424	\$2,139,817	\$16,504,241
19	Capital assets	<u>358,992</u>	<u>228,285</u>	<u>587,277</u>
20	Total all funds	\$14,723,416	\$2,368,102	\$17,091,518
21	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
22	Total general fund	\$14,723,416	\$2,368,102	\$17,091,518
23	Full-time equivalent positions	62.78	3.45	66.23
24	Subdivision 10.			

MINOT STATE UNIVERSITY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Operations	\$43,810,211	\$3,293,399	\$47,103,610
29	Capital assets	<u>899,620</u>	<u>0</u>	<u>899,620</u>
30	Total all funds	\$44,709,831	\$3,293,399	\$48,003,230
31	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>

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1	Total general fund	\$44,709,831	\$3,293,399	\$48,003,230
2	Full-time equivalent positions	201.76	2.34	204.10
3	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

			Adjustments or	
		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$20,691,135	\$4,559,020	\$25,250,155
8	Capital assets	<u>408,319</u>	<u>56,382,238</u>	<u>56,790,557</u>
9	Total all funds	\$21,099,454	\$60,941,258	\$82,040,712
10	Less estimated income	<u>0</u>	<u>16,000,000</u>	<u>16,000,000</u>
11	Total general fund	\$21,099,454	\$44,941,258	\$66,040,712
12	Full-time equivalent positions	97.29	8.30	105.59
13	Subdivision 12.			

DAKOTA COLLEGE AT BOTTINEAU

			Adjustments or	
		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$7,892,043	\$762,099	\$8,654,142
18	Capital assets	<u>114,007</u>	<u>11,775,440</u>	<u>11,889,447</u>
19	Total all funds	\$8,006,050	\$12,537,539	\$20,543,589
20	Less estimated income	<u>0</u>	<u>10,648,194</u>	<u>10,648,194</u>
21	Total general fund	\$8,006,050	\$1,889,345	\$9,895,395
22	Full-time equivalent positions	36.12	10.84	46.96
23	Subdivision 13.			

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

			Adjustments or	
		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	<u>\$52,762,590</u>	<u>\$18,514,806</u>	<u>\$71,277,396</u>
28	Total all funds	\$52,762,590	\$18,514,806	\$71,277,396
29	Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
30	Total general fund	\$52,762,590	\$18,514,806	\$71,277,396
31	Full-time equivalent positions	156.55	28.03	184.58

1 Subdivision 14.

2 NORTH DAKOTA FOREST SERVICE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4 Operations	\$6,249,979	\$306,655	\$6,556,634
6 Capital assets	<u>101,210</u>	<u>0</u>	<u>101,210</u>
7 Total all funds	\$6,351,189	\$306,655	\$6,657,844
8 Less estimated income	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>
9 Total general fund	\$4,701,189	\$306,655	\$5,007,844
10 Full-time equivalent positions	29.00	(0.04)	28.96

11 Subdivision 15.

12 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
15 Grand total general fund	\$679,271,846	\$223,543,125	\$902,814,971
16 Grand total special funds	<u>3,949,912</u>	<u>45,059,498</u>	<u>49,009,410</u>
17 Grand total all funds	\$683,221,758	\$268,602,623	\$951,824,381

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

19 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 20 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the  
 21 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
23 Capital projects - general fund		\$155,691,350	\$125,759,212
24 Capital projects - other funds		168,531,029	44,848,194
25 Capital projects contingency pool		5,483,413	0
26 Special assessment payoff		0	4,250,689
27 Campus security pool		0	3,000,000
28 CTS technology projects		0	2,821,500
29 Open education resource training		0	110,000
30 Theodore Roosevelt center		6,000,000	800,000
31 Employee contract and leave payouts		0	250,000

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1	Williston state college energy development impact	0	2,500,000
2	Williston state college workforce training facility	2,500,000	0
3	Campus deferred maintenance projects	440,000	0
4	Performance funding pool	5,000,000	0
5	Dickinson state university operating funds	800,000	0
6	Minot state university flood recovery funds	2,500,000	0
7	Dakota college at Bottineau - campus software updates	28,500	0
8	Deferred maintenance pool	10,000,000	5,000,000
9	Education challenge fund	29,000,000	0
10	School of medicine and health sciences residency positions	0	4,700,000
11	Health care workforce initiative	7,414,806	13,814,806
12	Master plan and space utilization study	<u>1,000,000</u>	<u>0</u>
13	Total all funds	\$394,389,098	\$207,854,401
14	Total other funds	<u>171,031,029</u>	<u>44,848,194</u>
15	Total general fund	\$223,358,069	\$163,006,207

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

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

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

29 **SECTION 4. CONTINGENT APPROPRIATION - STATE BOARD OF HIGHER**

30 **EDUCATION - DUNBAR HALL.** Subject to the provisions of this section, there is appropriated  
 31 out of any moneys in the general fund, not otherwise appropriated, the sum of \$46,000,000, or



1 so much of the sum as may be necessary, to the state board of higher education for the North  
2 Dakota state university Dunbar Hall project, for the biennium beginning July 1, 2015, and  
3 ending June 30, 2017.

4 The appropriation in this section is available only if the office of management and budget  
5 determines that actual general fund revenues for the period beginning July 1, 2015, and ending  
6 May 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative  
7 session for general fund revenues during the same period by at least \$50,000,000. For  
8 purposes of this section, "estimated general fund revenues" excludes the unobligated general  
9 fund balance on July 1, 2015, and transfers to the general fund from the strategic investment  
10 and improvements fund, property tax relief fund, the lottery, the mill and elevator, and gas tax  
11 administration.

12 **SECTION 5. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North  
13 Dakota Century Code is amended and reenacted as follows:

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

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

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

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

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

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

- 2       1. Any auditor hired to conduct audits of the state board of higher education and the  
3       entities under the control and supervision of the board may:
- 4       a. Conduct a review and assessment of any computer system or related security  
5       system of the state board of higher education or any entity under the control and  
6       supervision of the board. A review and assessment under this section may  
7       include an assessment of system vulnerability, network penetration, any potential  
8       security breach, and the susceptibility of the system to cyber attack or cyber  
9       fraud.
- 10       b. Disclose the findings of a review and assessment to an individual or committee  
11       designated by the state board of higher education or to the board. Any record  
12       relating to a review and assessment, including a working paper or preliminary  
13       draft of a review and assessment report and a report of the findings of a review  
14       and assessment, and any record that may cause or perpetuate vulnerability of a  
15       computer system or related security system which is obtained or created during a  
16       review and assessment is an exempt record.
- 17       c. In conjunction with the state board of higher education or a committee designated  
18       by the board, procure the services of a specialist in information security systems  
19       or any other contractor deemed necessary in conducting a review and  
20       assessment under this section.
- 21       2. Any person hired or contracted to provide services in relation to a review and  
22       assessment under this section is subject to the privacy and confidentiality provisions of  
23       subsection 1 and any other section of law, including section 44-04-27, and for the  
24       purposes of section 12.1-13-01, is a public servant.

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

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

28       The state board of higher education shall establish and maintain a unified system to offer  
29       workforce training, vocational education, and technical education programs at institutions under  
30       its control. The board shall periodically review programs offered by institutions under its control  
31       and revise program offerings based on the workforce needs of the state identified by the

1 workforce education advisory council. The board shall develop administrative arrangements that  
2 make possible the efficient use of facilities and staff. The board shall limit administrative costs  
3 by eliminating duplicative administrative positions.

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

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

7       The state board of higher education shall establish a workforce education advisory council  
8 to advise the board regarding skills and qualifications needed for workforce training, vocational,  
9 and technical education programs offered at institutions under the control of the board. The  
10 council is composed of a representative of the department of career and technical education, a  
11 representative of job service North Dakota, a representative of the department of commerce,  
12 and eight members representing business and industry in the state. The eight members  
13 representing business and industry shall be appointed by the chairman of the legislative  
14 management. The North Dakota university system office shall provide staff services for the  
15 advisory council and members of the council who are not employees of the state are entitled to  
16 expense reimbursement from the board, as provided by law for state officers, for attending  
17 meetings of the council.

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

20       **Annual report - Scholarships.**

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

24       **SECTION 11. AMENDMENT.** Section 15-18.2-02 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **15-18.2-02. Weighted credit-hours - Determination - Instructional program**  
27 **classification factors - Submission to legislative management.**

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

- 1           a. The factors for credits completed in agriculture are:
- 2           (1) 1.9 for lower division credits;
- 3           (2) 3.8 for upper division credits;
- 4           (3) 5.7 for professional level credits; and
- 5           (4) 7.6 for graduate level credits.
- 6           b. The factors for credits completed in architecture are:
- 7           (1) 1.8 for lower division credits;
- 8           (2) 3.6 for upper division credits;
- 9           (3) 5.4 for professional level credits; and
- 10          (4) 7.2 for graduate level credits.
- 11          c. The factors for credits completed in ~~aviation~~transportation are:
- 12          (1) 1.9 for lower division credits;
- 13          (2) 3.8 for upper division credits;
- 14          (3) 5.7 for professional level credits; and
- 15          (4) 7.6 for graduate level credits.
- 16          d. The factors for credits completed in the biological and physical sciences are:
- 17          (1) 1.9 for lower division credits;
- 18          (2) 3.8 for upper division credits;
- 19          (3) 5.7 for professional level credits; and
- 20          (4) 7.6 for graduate level credits.
- 21          e. The factors for credits completed in business are:
- 22          (1) 1.9 for lower division credits;
- 23          (2) 3.8 for upper division credits;
- 24          (3) 5.7 for professional level credits; and
- 25          (4) 7.6 for graduate level credits.
- 26          f. The factors for credits completed in education are:
- 27          (1) 1.9 for lower division credits;
- 28          (2) 3.8 for upper division credits;
- 29          (3) 5.7 for professional level credits; and
- 30          (4) 7.6 for graduate level credits.
- 31          g. The factors for credits completed in engineering are:

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1 (1) 2.5 for lower division credits;

2 (2) 5.0 for upper division credits;

3 (3) 7.5 for professional level credits; and

4 (4) 10.0 for graduate level credits.

5 h. The factors for credits completed in the health sciences are:

6 (1) 3.0 for lower division credits;

7 (2) 6.0 for upper division credits;

8 (3) 9.0 for professional level credits;

9 (4) 12.0 for graduate level credits; and

10 (5) 38.0 for medical school credits.

11 i. The factors for credits completed in legal studies are:

12 (1) 3.5 for lower division credits;

13 (2) 7.0 for upper division credits;

14 (3) 10.5 for professional level credits; and

15 (4) 14.0 for graduate level credits.

16 j. The factors for credits completed in the core disciplines are:

17 (1) 1.0 for lower division credits;

18 (2) 2.0 for upper division credits;

19 (3) 3.0 for professional level credits; and

20 (4) 4.0 for graduate level credits.

21 k. The factor for credits completed in career and technical education is 2.0.

22 l. The factor for completed ~~remedial~~basic skills credits is 2.3.

23 2. a. The state board of higher education shall ensure that all delineations in this  
24 section reflect the requirements of a nationally recognized and standardized  
25 instructional program classification system.

26 b. Before adopting any changes to the delineations implemented in accordance with  
27 this section, the state board of higher education shall present the proposed  
28 changes to and receive the approval of the legislative management.

29 **SECTION 12. AMENDMENT.** Section 15-18.2-03 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **15-18.2-03. Credit completion factor - Determination.**

2       1. ~~For~~Except as provided in subsections 2 and 3 of this section, for each institution under  
3       its control, the state board of higher education shall multiply the product determined  
4       under section 15-18.2-02 by a factor of:

- 5       a. ~~1.00 if the number of credit hours is at least 100,000;~~
- 6       b. ~~1.05 if the number of credit hours is at least 95,000 but less than 100,000;~~
- 7       c. ~~1.10 if the number of credit hours is at least 90,000 but less than 95,000;~~
- 8       d. ~~1.15 if the number of credit hours is at least 85,000 but less than 90,000;~~
- 9       e. ~~1.20 if the number of credit hours is at least 80,000 but less than 85,000;~~
- 10      f. ~~1.25 if the number of credit hours is at least 75,000 but less than 80,000;~~
- 11      g. ~~1.30 if the number of credit hours is at least 70,000 but less than 75,000;~~
- 12      h. ~~1.35 if the number of credit hours is at least 65,000 but less than 70,000;~~
- 13      i. ~~1.40 if the number of credit hours is at least 60,000 but less than 65,000;~~
- 14      j. ~~1.45 if the number of credit hours is at least 55,000 but less than 60,000;~~
- 15      k. ~~1.50 if the number of credit hours is at least 50,000 but less than 55,000;~~
- 16      l. ~~1.55 if the number of credit hours is at least 45,000 but less than 50,000;~~
- 17      m. ~~1.60 if the number of credit hours is at least 40,000 but less than 45,000;~~
- 18      n. ~~1.65 if the number of credit hours is at least 35,000 but less than 40,000;~~
- 19      o. ~~1.70 if the number of credit hours is at least 30,000 but less than 35,000;~~
- 20      p. ~~1.75 if the number of credit hours is at least 25,000 but less than 30,000;~~
- 21      q. ~~1.80 if the number of credit hours is at least 20,000 but less than 25,000;~~
- 22      r. ~~1.85 if the number of credit hours is at least 15,000 but less than 20,000;~~
- 23      s. ~~1.90 if the number of credit hours is at least 10,000 but less than 15,000;~~
- 24      t. ~~1.95 if the number of credit hours is at least 5,000 but less than 10,000; and~~
- 25      u. ~~2.00 if the number of credit hours is less than 5,000.~~

- 26      a. 1.00 if the number of credit-hours is at least 210,000;
- 27      b. 1.05 if the number of credit-hours is at least 180,000 but less than 210,000;
- 28      c. 1.075 if the number of credit-hours is at least 150,000 but less than 180,000;
- 29      d. 1.10 if the number of credit-hours is at least 120,000 but less than 150,000;
- 30      e. 1.125 if the number of credit-hours is at least 100,000 but less than 120,000;

- 1           f. 1.15 if the number of credit-hours is at least 90,000 but less than 100,000;  
2           g. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;  
3           h. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;  
4           i. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;  
5           j. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;  
6           k. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;  
7           l. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and  
8           m. 1.80 if the number of credit-hours is less than 30,000.
- 9           2. If the square footage of an institution, when divided by the institution's weighted credit-  
10           hours results in a quotient greater than 5.00, the state board of higher education shall  
11           multiply the product determined under section 15-18.2-02 by a factor of 1.00. For  
12           purposes of this subsection, the square footage of an institution includes real property  
13           as determined by the state board of higher education in accordance with section  
14           15-18.2-04.
- 15           3. If the number of credit-hours completed by an institution causes a decrease in the  
16           credit completion factor for that institution, the new credit completion factor shall not be  
17           in effect for calculation purposes for the first two fiscal years following the change.
- 18           4. For purposes of this section, the number of credit-hours must be those determined by  
19           the state board of higher education in accordance with section 15-18.2-01.

20           **SECTION 13. AMENDMENT.** Section 15-18.2-04 of the North Dakota Century Code is  
21           amended and reenacted as follows:

22           **15-18.2-04. Institutional size factor - Determination.**

- 23           1. For each institution under its control, the state board of higher education shall multiply  
24           the product determined under section 15-18.2-03 by a size factor of:  
25           a. 1.0 if the square footage of the institution, when divided by the institution's  
26           weighted credit-hours results in a quotient of less than 5.00; or  
27           b. ~~4.8~~1.7 if the square footage of the institution, when divided by the institution's  
28           weighted credit-hours results in a quotient of 5.00 or more.
- 29           2. For purposes of this section, an institution's square footage:

- 1 a. Includes all real property owned by the state within an institution's perimeter,
- 2 except for agricultural experiment stations, agricultural research extension
- 3 centers, technology parks, and state agencies; and
- 4 b. Is determined as of June thirtieth in each odd-numbered year.

5 **SECTION 14. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15-18.2-05. Base funding - Determination of state aid.**

8 In order to determine the state aid payment to which each institution under its control is  
9 entitled, the state board of higher education shall multiply the product determined under section  
10 15-18.2-04 by a base amount of:

- 11 1. ~~\$66.35~~\$73.17 in the case of North Dakota state university and the university of North  
12 Dakota;
- 13 2. ~~\$95.57~~\$108.13 in the case of Dickinson state university, Mayville state university,  
14 Minot state university, and Valley City state university; and
- 15 3. ~~\$98.75~~ in the case of Minot state university;
- 16 4. ~~\$101.73~~\$115.73 in the case of Bismarck state college, Dakota college at Bottineau,  
17 Lake Region state college, and North Dakota state college of science; and
- 18 5. ~~\$104.88~~ in the case of Williston state college.

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

21 **15-62.4-01. Student financial assistance program.**

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

- 25 1. a. Graduated from a high school in this state;
- 26 b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;
- 27 c. Graduated from a nonpublic high school in a bordering state while residing with a  
28 custodial parent in this state; or
- 29 d. Completed a program of home education supervised in accordance with chapter  
30 15.1-23;



- 1       2.   a.   Is enrolled at an accredited institution of higher education in this state, provided  
2           the institution offers a program of instruction equal to at least two academic  
3           years; or  
4       b.   Because of a medically certifiable disability is enrolled at an accredited institution  
5           of higher education outside of this state which offers the individual special  
6           services or facilities not available in this state, provided the institution offers a  
7           program of instruction equal to at least two academic years; and  
8       3.   Is pursuing a course of study determined by the state board of higher education to be  
9           at least quarter-time.

10       **15-62.4-02. Student financial assistance program - Criteria and procedures.**

11       The state board of higher education shall adopt:

- 12       1.   Criteria governing the application process;  
13       2.   Criteria governing the determination of financial need, which must include  
14           consideration of parental contributions to educational expenses;  
15       3.   Criteria governing the selection process; and  
16       4.   Procedures for providing fiscal control, fund accounting, and reports.

17       **15-62.4-03. Student financial assistance program - Grants.**

- 18       1.   The state board of higher education shall provide to each eligible student a financial  
19           assistance grant in an amount not exceeding:  
20           a.   Nine hundred seventy-five dollars per semester; or  
21           b.   Six hundred fifty dollars per quarter.  
22       2.   a.   A student is not entitled to receive grants under this chapter for more than the  
23           equivalent of:  
24           (1) Eight semesters of full-time enrollment; or  
25           (2) Twelve quarters of full-time enrollment.  
26       b.   Notwithstanding subdivision a, a student is not entitled to receive a grant under  
27           this chapter after the student obtains a baccalaureate degree.  
28       3.   The board shall forward grants payable under this chapter directly to the institution in  
29           which the student is enrolled.

30       **15-62.4-04. Student financial assistance program - Advisory board.**

- 31       1.   The student financial assistance advisory board is created for the purposes of:

- 1           a. Providing advice to the state board of higher education regarding the student  
2           financial assistance program; and  
3           b. Functioning as a liaison between the state board of higher education and the  
4           institutions of higher education participating in the student financial assistance  
5           program.  
6        2. a. The student financial assistance advisory board consists of:  
7           (1) Three financial aid officers;  
8           (2) A chief financial officer;  
9           (3) A high school counselor; and  
10          (4) A student enrolled at an institution of higher education in this state.  
11        b. All members must be appointed by the state board of higher education.  
12        c. All members other than the student must be employed by an educational  
13        institution in this state.  
14        d. No more than one member may be employed by the same educational institution  
15        as another member.  
16        3. The state board of higher education shall determine the terms of the student financial  
17        assistance advisory board members and establish any necessary rules of operation  
18        and procedure.  
19        4. Each member of the student financial assistance advisory board is entitled to  
20        reimbursement for expenses, as provided by law for state officers, if the member is  
21        attending meetings or performing duties directed by the advisory board.

22        **15-62.4-05. Student financial assistance program - Gifts and grants - Acceptance.**

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

25        **SECTION 16.** Chapter 15-62.5 of the North Dakota Century Code is created and enacted  
26        as follows:

27        **15-62.5-01. Scholars program.**

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

- 30        1. a. Graduated from a high school in this state;  
31        b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;

- 1           c. Graduated from a nonpublic high school in a bordering state while residing with a  
2           custodial parent in this state; or
- 3           d. Completed a program of home education supervised in accordance with chapter  
4           15.1-23;
- 5       2. On the ACT, achieved composite scores that ranked the individual at or above the  
6       ninety-fifth percentile among those who took the ACT prior to July first in the calendar  
7       year preceding the individual's enrollment;
- 8       3. a. Is enrolled at an accredited institution of higher education in this state that offers  
9       a program of instruction equal to at least two academic years;
- 10       b. Because of a medically certifiable disability is enrolled at an accredited institution  
11       of higher education outside of this state that offers the individual special services  
12       or facilities not available in this state, provided the institution offers a program of  
13       instruction equal to at least two academic years; and
- 14       4. Is pursuing a course of study determined by the board to be full-time.

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

16       The state board of higher education shall adopt:

- 17       1. Criteria governing the application process;
- 18       2. Criteria governing the selection process, within the requirements of section  
19       15-62.5-03; and
- 20       3. Procedures for providing fiscal control, fund accounting, and reports.

21       **15-62.5-03. Scholars program - Ranking and selection of recipients.**

- 22       1. The state board of higher education shall rank scholars program applicants by their  
23       ACT composite scores.
- 24       2. If two or more applicants have the same composite scores, they must be ranked by  
25       the numeric sum of their four scale scores on the ACT.
- 26       3. If two or more applicants have the same composite scores and the same numeric sum  
27       of the four scale scores, they must be ranked by the numeric sum of their English and  
28       mathematics scores.
- 29       4. The state board of higher education may establish additional criteria to rank applicants  
30       who have the same numeric sum of their English and mathematics scores.

1       5. Scholarships must be offered to applicants in descending order according to this  
2             ranking until available funds have been expended or until the pool of applicants has  
3             been exhausted.

4       **15-62.5-04. Scholars program - Scholarship amounts - Stipends.**

5       1. a. Each semester, the state board of higher education shall provide to an eligible  
6             student a scholarship in an amount not exceeding the tuition charged at the  
7             institution in which the student is enrolled, provided the amount may not exceed  
8             the highest undergraduate semester tuition charged at an institution of higher  
9             education under the control of the state board of higher education.

10       b. Each quarter the state board of higher education shall provide to an eligible  
11            student a scholarship in an amount not exceeding the tuition charged per quarter  
12            at the institution in which the student is enrolled, provided the amount may not  
13            exceed two-thirds of the highest undergraduate semester tuition charged at an  
14            institution of higher education under the control of the state board of higher  
15            education.

16       c. For purposes of this subsection, the rates are calculated using a traditional fall  
17            and spring academic year.

18       2. The scholarships provided for under this section are conditioned on the student  
19            maintaining a 3.5 cumulative grade point average, based on a 4.0 grading system.

20       3. Any student eligible for a scholarship under this section is also eligible for a stipend in  
21            an amount not exceeding two thousand dollars annually. The state board of higher  
22            education may distribute the stipend on a semester or a quarter basis.

23       4. a. A student is not entitled to receive scholarships under this chapter for more than  
24            the equivalent of:

25            (1) Eight semesters of full-time enrollment; or

26            (2) Twelve quarters of full-time enrollment.

27       b. Notwithstanding subdivision a, a student is not entitled to receive a scholarship  
28            under this chapter after the student obtains a baccalaureate degree.

29       5. The state board of higher education shall forward scholarships and stipends payable  
30            under this chapter directly to the institution in which the student is enrolled.

1        **15-62.5-05. Use of scholarships and stipends - Refund policy.**

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

8        **SECTION 17.** A new subsection to a new section to chapter 54-10, as created in section 5  
9 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, is created and  
10 enacted as follows:

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

13        **SECTION 18. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15        **54-12-08. Assistant and special assistant attorneys general - Appointment -**  
16 **Revocation - Compensation.**

17        1. After consultation with the head of the state department or institution or with the state  
18 board, commission, committee, or agency affected, the attorney general may appoint  
19 assistant or special assistant attorneys general to represent the state board,  
20 commission, committee, or agency. A state officer, head of any state department,  
21 whether elected or appointed, or state department, board, commission, committee, or  
22 agency may not employ legal counsel, and no person may act as legal counsel in any  
23 matter, action, or proceeding in which the state or any state department, board,  
24 commission, committee, or agency is interested or is a party, except upon written  
25 appointment by the attorney general. The state board of higher education may employ  
26 attorneys to provide legal services limited to the field of intellectual property law on  
27 behalf of research institutions under the supervision of the board. Workforce safety  
28 and insurance, the department of transportation, the state tax commissioner, the public  
29 service commission, the insurance commissioner, ~~the board of higher education,~~ and  
30 the securities commissioner may employ attorneys to represent them. These entities  
31 shall pay the salaries and expenses of the attorneys they employ within the limits of

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

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

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

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

29 **SECTION 19. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is  
30 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 20. 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 21. 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 22. REPEAL.** Chapter 15-62.2 of the North Dakota Century Code is repealed.

8           **SECTION 23. 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 section and ending June 30, 2017,  
12          by 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.

16          2.    The education incentive programs line item includes funding that may be allocated to  
17          education incentive programs based on program eligibility criteria and the reduction or  
18          elimination of specific programs as determined by the board.

19          3.    The campus security funding pool line item includes funding that must be used to  
20          address security needs at institutions based on campus risk and security  
21          assessments.

22          4.    The internal audit funding pool line item includes funding that must be used for  
23          systemwide and campus internal audit purposes.

24          The state board of higher education shall provide reports to the legislative management during  
25          the 2015-16 interim regarding distributions from the deferred maintenance, campus security,  
26          and internal audit funding pools.

27          **SECTION 24. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the  
28          biennium beginning July 1, 2015, and ending June 30, 2017, each capital project authorized by  
29          the state board of higher education must have adequate project management oversight by  
30          either an institution official or a representative of an external entity. An institution may seek

1 assistance from the university system office for project management oversight of a capital  
2 project.

3 **SECTION 25. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL -**

4 **REAUTHORIZATION - BUDGET SECTION REPORT.** In addition to the funds appropriated in  
5 section 1 of this Act, North Dakota state university may use unspent state funding from the  
6 \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending  
7 June 30, 2009, and unspent state funding from the \$13,000,000 appropriation received during  
8 the biennium beginning July 1, 2009, and ending June 30, 2011, and special funds derived from  
9 insurance litigation settlement and other local institutional funds, to a total of \$23,474,300 for  
10 the Minard hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.  
11 North Dakota state university shall report to the budget section regarding the status of the  
12 Minard hall project and may request increased spending authorization from the budget section  
13 for the project.

14 **SECTION 26. MINOT STATE UNIVERSITY - FOOTBALL STADIUM PRESS BOX -**

15 **REAUTHORIZATION.** Minot state university may use up to \$4,000,000 in private funds from the  
16 city of Minot and \$1,000,000 in local institutional funds for the completion of the football stadium  
17 press box during the period beginning with the effective date of this section, and ending June  
18 30, 2017.

19 **SECTION 27. STUDENT LOAN TRUST FUND.** Subdivision 1 of section 1 of this Act  
20 includes the sum of \$1,504,744, or so much of the sum as may be necessary, from the student  
21 loan trust fund, of which \$465,307 is for the professional student exchange program, \$500,000  
22 is for grants to tribally controlled community colleges, and \$539,437 is for connectND campus  
23 solution positions, for the biennium beginning July 1, 2015, and ending June 30, 2017.

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

25 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act  
26 includes a funding allocation from the higher education per student credit-hour funding formula  
27 attributable to inflation during the biennium beginning July 1, 2015, and ending June 30, 2017. A  
28 portion of the allocation must be transferred by the state board of higher education to the  
29 university of North Dakota school of medicine and health sciences.

30 **SECTION 29. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All funds,  
31 in addition to those appropriated in section 1 of this Act, from federal, private, and other sources

1 for competitive grants or other funds that the legislative assembly has not indicated the intent to  
2 reject, including tuition revenue, received by the institutions and entities under the control of the  
3 state board of higher education are appropriated to those institutions and entities, for the  
4 biennium beginning July 1, 2015, and ending June 30, 2017. All additional funds received under  
5 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2015,  
6 and ending June 30, 2017, are appropriated to the state board of higher education for  
7 reimbursement to institutions under the control of the board.

8 **SECTION 30. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2015,  
9 and ending June 30, 2017, the state board of higher education determines that funds allocated  
10 to operations in section 1 of this Act are needed for capital assets, the board may transfer funds  
11 from operations to capital assets. The board shall report any transfer of funds under this section  
12 to the office of management and budget.

13 **SECTION 31. EXEMPTION - CONTINGENT APPROPRIATION REDUCTION.** Pursuant to  
14 section 54-44.1-11, the sum of \$5,000,000 appropriated from the general fund in the  
15 performance funding pool line item of subdivision 1 of section 1 of chapter 34 of the 2013  
16 Session Laws may be continued into the biennium beginning July 1, 2015, and ending June 30,  
17 2017. Of the unexpended appropriation, the state board of higher education shall transfer  
18 \$1,500,000 to Williston state college, \$1,500,000 to Dickinson state university, \$1,500,000 to  
19 Minot state university, and \$500,000 to Dakota college at Bottineau for extraordinary campus  
20 needs resulting from energy development. The board shall transfer a prorated amount if  
21 sufficient funding is not available to provide for full transfers. Excluding the transfers authorized  
22 in this section, the office of management and budget shall reduce the general fund  
23 appropriation authority included in the system governance line item contained in subdivision 1  
24 of section 1 of this Act in an amount equal to any appropriation used from the performance  
25 funding pool line item contained in section 1 of chapter 34 of the 2013 Session Laws.

26 **SECTION 32. EXEMPTION.** The sum of \$750,000 from the general fund is appropriated in  
27 the capital assets line item in subdivision 5 of section 1 of chapter 34 of the 2013 Session Laws  
28 for the university of North Dakota school of medicine and health sciences Bismarck family  
29 practice center skywalk project. Any remaining unexpended appropriation authority for the  
30 project is not subject to section 54-44.1-11 and the office of management and budget shall  
31 cancel the remaining unexpended appropriation authority on the effective date of this section.

1       **SECTION 33. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding  
2 any other provisions of law, the state board of higher education may adjust full-time equivalent  
3 positions as needed, subject to the availability of funds, for institutions and entities under its  
4 control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North  
5 Dakota university system shall report any adjustments to the office of management and budget  
6 before the submission of the 2017-19 biennium budget request.

7       **SECTION 34. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of  
8 higher education, in accordance with chapter 15-55, may arrange for the funding of projects  
9 authorized in this section, declared to be in the public interest, through the issuance of  
10 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the  
11 effective date of this section and ending June 30, 2017. Evidences of indebtedness issued  
12 pursuant to this section are not a general obligation of the state of North Dakota. Any  
13 unexpended balance resulting from the proceeds of the evidences of indebtedness must be  
14 placed in a sinking fund to be used for the retirement of indebtedness. The evidences of  
15 indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the  
16 following capital projects:

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

20       **SECTION 35. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION**  
21 **APPROVAL.**

22       1. Notwithstanding any other provision of law, the state board of higher education may  
23 not increase tuition rates for students attending institutions of higher education under  
24 its control during the 2015-16 academic year by more than two and one-half percent  
25 as compared to the tuition rate in effect during the 2015 spring semester unless the  
26 board receives prior budget section approval.

27       2. Notwithstanding any other provision of law, the state board of higher education may  
28 not increase tuition rates for students attending institutions of higher education under  
29 its control during the 2016-17 academic year by more than two and one-half percent  
30 as compared to the tuition rate in effect during the 2016 spring semester unless the  
31 board receives prior budget section approval.

1           3. For purposes of this section, any adjustments to an institution's method of charging  
2           tuition and fees must be included in calculations of tuition limits.

3           4. This section does not apply to tuition rates determined under tuition reciprocity  
4           agreements entered into by the state board of higher education with other states or  
5           state education compacts.

6           5. This section does not apply to tuition rates charged for programs offered through the  
7           university of North Dakota school of medicine and health sciences.

8           **SECTION 36. LEGISLATIVE MANAGEMENT REPORT - DICKINSON STATE**

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

13          **SECTION 37. STATE BOARD OF HIGHER EDUCATION DATA INCONSISTENCIES -**

14          **REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** During the biennium beginning  
15          July 1, 2015, and ending June 30, 2017, the state board of higher education shall evaluate the  
16          following data inconsistency issues at institutions and entities under its control and develop  
17          policies and procedures to correct the inconsistencies:

- 18           1. Lack of integration of personal and demographic information among computer  
19           systems;
- 20           2. Lack of use of standard chart of accounts for financial reporting and standard  
21           department budget table deduction and tax override flags;
- 22           3. Absence of standard business processes for recording mandatory fees and for  
23           changing payroll funding source information;
- 24           4. Inconsistent methods and procedures at institutions for recording high school  
25           completions, identifying student cohorts for reporting purposes, and classifying agency  
26           funds;
- 27           5. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting  
28           students, using purchasing card, charging tuition and fees, and accruing of faculty sick  
29           leave;
- 30           6. Inconsistent coding and naming for bad debt expense and journal entries;
- 31           7. Use of shadow accounting systems for reporting purposes; and

1           8.    Inconsistent definitions for a distance education student, a resident student for tuition  
2                    purposes, and a full-time student for federal tax purposes.

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

6           **SECTION 38. HIGHER EDUCATION INSTITUTION PERMANENT FUNDS - REPORT TO**  
7    **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The state board of higher education shall provide a  
8    report to the appropriations committees of the sixty-fifth legislative assembly regarding the use  
9    of funds received by institutions under its control from permanent fund income established for  
10   the benefit of the institutions in section 1 of article IX of the Constitution of North Dakota.

11          **SECTION 39. EXTRAORDINARY CAMPUS NEEDS FUNDING - REPORT TO THE**  
12   **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The operations line item in subdivision 4 of section 1  
13   of this Act includes the sum of \$2,500,000 for extraordinary campus needs at Williston state  
14   college. Williston state college shall provide a report to the appropriations committees of the  
15   sixty-fifth legislative assembly regarding the use of this funding and the need to continue the  
16   funding in to the biennium beginning July 1, 2017, and ending June 30, 2019.

17          **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION COURSE**  
18   **DELIVERY METHODS.** During the 2015-16 interim, the legislative management shall consider  
19   studying the delivery methods of higher education courses offered by institutions under the  
20   control of the state board of higher education. The study, if conducted, must include a review of  
21   current methods of distance education offered by institutions, options to improve delivery  
22   methods, revenue generated by each type of delivery method, and how course delivery  
23   methods may affect future campus infrastructure needs. The legislative management shall  
24   report its findings and recommendations, together with any legislation required to implement the  
25   recommendations, to the sixty-fifth legislative assembly.

26          **SECTION 41. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION MISSIONS.** During  
27   the 2015-16 interim, the legislative management shall consider studying the missions of all two-  
28   year institutions and the missions of any other institutions under the control of the state board of  
29   higher education, as determined by the legislative management, including the feasibility and  
30   desirability of the institutions offering only workforce and career and technical education  
31   programs. The study must review the current missions of the institutions, current and projected

1 course and program enrollments, projected workforce needs, including how the institutions can  
2 serve the needs, and options to increase operating efficiencies. The legislative management  
3 shall report its findings, together with any legislation necessary to implement the findings, to the  
4 sixty-fifth legislative assembly.

5 **SECTION 42. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION ADMINISTRATION**

6 **COSTS.** During the 2015-16 interim, the legislative management shall consider studying  
7 administrative costs at institutions under the control of the state board of higher education. The  
8 study, if conducted, must review the number of administrator positions at each institution, the  
9 number of new administrator positions added at each institution during the previous five  
10 academic years, the total salaries and benefits associated with the administrator positions, the  
11 average salaries and benefits for administrator positions at each institution for each of the  
12 previous five fiscal years, the percentage of overall institution operating costs attributable to  
13 administration, and options to provide future increased legislative appropriations to institutions  
14 specifically for instructional purposes. The legislative management shall report its findings,  
15 together with any legislation necessary to implement the findings, to the sixty-fifth legislative  
16 assembly.

17 **SECTION 43. EMERGENCY.** Sections 7, 23, 26, 31, 32, and 34 and the capital assets,  
18 campus security pool, and deferred maintenance pool line items in section 1 of this Act are  
19 declared to be an emergency measure.