

Introduced by

Legislative Management

(Higher Education Committee)

1 A BILL for an Act to create and enact a new chapter to title 15 of the North Dakota Century
2 Code, relating to the university system capital building fund; to provide an appropriation; to
3 provide for a transfer; and to declare an emergency.

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

5 **SECTION 1.** A new chapter to title 15 of the North Dakota Century Code is created and
6 enacted as follows:

7 **University system capital building fund - Creation - Continuing appropriation.**

8 There is created in the state treasury the university system capital building fund. The
9 university system capital building fund consists of moneys transferred to the fund and any
10 interest and earnings of the fund. The state board of higher education may provide for the fund
11 to be invested under the supervision of the state investment board. Moneys in the fund are
12 appropriated to the state board of higher education on a continuing basis for allocations to the
13 institutions under the control of the state board of higher education for capital projects as
14 directed by the legislative assembly and in accordance with this chapter. Any interest or
15 earnings of the fund must be allocated to the capital building fund pool within the university
16 system capital building fund.

17 **Capital building funds - Uses - Reports.**

18 Subject to tier II and tier III capital building fund matching requirements under this chapter,
19 each institution may use its allocation of funds from the university system capital building fund
20 for projects specifically authorized by the legislative assembly to use university system capital
21 building fund moneys. In addition, after an institution has matched and committed seventy-five
22 percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to
23 state board of higher education approval and matching requirements under this chapter, each
24 institution may use its allocation of funds from the university system capital building fund for

1 extraordinary repairs and deferred maintenance projects that do not increase the overall square
2 footage of a building. The state board of higher education shall report biennially to the legislative
3 management and to the appropriations committees of the legislative assembly on the use of
4 funding in the university system capital building fund, the source of matching funds, and each
5 institution's five-year plan for capital construction spending.

6 **Tier II capital building funds - Matching requirements.**

7 The state board of higher education may allocate tier II capital building fund moneys to an
8 institution for a project only after the institution provides one dollar of matching funds from
9 operations or other sources for each one dollar from the university system capital building fund
10 for the project. An institution may not use tier I extraordinary repairs funding, tier III capital
11 building fund moneys, or state funding appropriated for a specific capital project as matching
12 funds under this section.

13 **Tier III capital building funds - Matching requirements.**

14 The state board of higher education may allocate tier III capital building fund moneys to an
15 institution only after the institution provides two dollars of matching funds from operations or
16 other sources for each one dollar from the university system capital building fund for the project.
17 An institution may not use tier I extraordinary repairs funding, tier II capital building fund
18 moneys, or state funding appropriated for a specific capital project as matching funds under this
19 section.

20 **Capital building fund pool.**

21 If the state board of higher education has not allocated capital building fund moneys to an
22 institution by January first of the third biennium after the funding was appropriated or transferred
23 to the fund, the board shall reallocate the funds to a pool within the university system capital
24 building fund. Any institution under the control of the state board of higher education that has
25 fully matched and committed its university system capital building fund allocation may apply for
26 and be allocated funding from the capital building fund pool, subject to state board of higher
27 education approval and tier III capital building fund matching requirements under this chapter.

28 **SECTION 2. UNSPENT FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
29 **GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** Any amounts from the
30 \$17,000,000 from the current earnings and accumulated profits of the Bank of North Dakota for
31 the tier II and tier III capital building fund program and any amounts from the \$2,000,000 from

1 the general fund for the tier III capital building fund program appropriated in section 1 of
2 chapter 3 of the 2019 Session Laws which are not matched and committed for a project by
3 June 30, 2021, must be transferred to the university system capital building fund at the end of
4 the biennium beginning July 1, 2019, and ending June 30, 2021.

5 **SECTION 3. APPROPRIATION - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**

6 **GENERAL FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** The industrial
7 commission shall transfer to the university system capital building fund a total of \$17,000,000,
8 or so much of the sum as may be necessary, from the current earnings and accumulated
9 undivided profits of the Bank of North Dakota during the period beginning with the effective date
10 of this Act, and ending June 30, 2023. There is appropriated out of any moneys in the general
11 fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the
12 sum as may be necessary, which the director of the office of management and budget shall
13 transfer to the university system capital building fund during the period beginning with the
14 effective date of this Act, and ending June 30, 2023. Funding transferred pursuant to this
15 section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
16 Bismarck state college	\$379,229	\$500,000	\$879,229
17 Williston state college	132,917	500,000	632,917
18 Lake Region state college	182,643	500,000	682,643
19 University of North Dakota	4,396,913	2,250,000	6,646,913
20 North Dakota state university	2,874,621	2,250,000	5,124,621
21 North Dakota state college of science	471,184	500,000	971,184
22 Dickinson state university	278,687	500,000	778,687
23 Mayville state university	264,426	500,000	764,426
24 Minot state university	579,303	500,000	1,079,303
25 Valley City state university	315,966	500,000	815,966
26 Dakota college at Bottineau	<u>124,111</u>	<u>500,000</u>	<u>624,111</u>
27 Total	\$10,000,000	\$9,000,000	\$19,000,000

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29 **SECTION 4. CAPITAL BUILDING FUNDS - USES.** The institutions listed may use funding
30 from the respective institution's university system capital building fund allocation for the
31 following projects authorized by the sixty-sixth legislative assembly:

Sixty-seventh
Legislative Assembly

1	North Dakota state university - Dunbar Hall	\$51,200,000
2	North Dakota state university - Agriculture products development center	60,000,000
3	University of North Dakota - Gamble Hall	<u>70,000,000</u>
4	Total	\$181,200,000

5 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.