

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2003**

Introduced by

Appropriations Committee

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 a new chapter to title 15 of the North Dakota Century
3 Code, relating to a university system capital building fund; to amend and reenact subdivision c
4 of subsection 1 of section 15-10-48, subdivision k of subsection 1 of section 15-18.2-02,
5 sections 15-18.2-03, 15-18.2-05, and 54-44.1-11 of the North Dakota Century Code and
6 section 2 of chapter 53 of the 2019 Session Laws, relating to matching grants for the
7 advancement of academics, the higher education funding formula, the cancellation of
8 unexpended appropriations, and appropriations for higher education capital projects; to repeal
9 subdivision d of subsection 1 of section 15-10-48 and section 15-18.2-04 of the North Dakota
10 Century Code, relating to the eligibility of the university of North Dakota school of medicine and
11 health sciences to receive a matching grant for the advancement of academics and the
12 institutional size factor of the higher education funding formula; to provide for a transfer; to
13 provide for a report; to provide an exemption; to provide for a study; to provide a statement of
14 legislative intent; to provide a continuing appropriation; and to declare an emergency.

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

16 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
17 as may be necessary, are appropriated out of any moneys in the general fund in the state
18 treasury, not otherwise appropriated, and from special funds derived from federal funds and
19 other income, to the state board of higher education and to the entities and institutions under
20 the supervision of the board, for the purpose of defraying the expenses of the state board of
21 higher education and the entities and institutions under the control of the board, for the
22 biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

23 Subdivision 1.

24 NORTH DAKOTA UNIVERSITY SYSTEM

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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Capital assets - bond payments	\$4,959,448	\$8,425,816	\$13,385,264
4	Competitive research programs	5,685,750	0	5,685,750
5	System governance	8,737,867	(132,297)	8,605,570
6	Core technology services	62,286,128	676,689	62,962,817
7	Student financial assistance grants	23,917,306	0	23,917,306
8	Professional student exchange program	3,699,342	0	3,699,342
9	Academic and CTE scholarships	12,016,749	4,200,000	16,216,749
10	Scholars program	1,807,115	0	1,807,115
11	Native American scholarship	555,323	0	555,323
12	Tribally controlled community	1,000,000	0	1,000,000
13	college grants			
14	Education incentive programs	260,000	0	260,000
15	Student mental health	284,400	0	284,400
16	Veterans' assistance grants	277,875	0	277,875
17	Shared campus services	500,000	300,000	800,000
18	Nursing education consortium	0	1,356,000	1,356,000
19	Math pathways	0	150,000	150,000NASA
20	NASA EPSCoR	<u>342,000</u>	<u>0</u>	<u>342,000</u>
21	Total all funds	\$126,329,303	\$14,976,208	\$141,305,511
22	Less estimated income	<u>24,002,206</u>	<u>254,829</u>	<u>24,257,035</u>
23	Total general fund	\$102,327,097	\$14,721,379	\$117,048,476
24	Full-time equivalent positions	148.90	9.93	158.83

25 Subdivision 2.

26 BISMARCK STATE COLLEGE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
27				
28				
29	Operations	\$98,743,682	\$1,827,705	\$100,571,387
30	Capital assets	<u>1,922,561</u>	<u>0</u>	<u>1,922,561</u>
31	Total all funds	\$100,666,243	\$1,827,705	\$102,493,948

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1	Less estimated income	<u>69,598,016</u>	<u>811,877</u>	<u>70,409,893</u>
2	Total general fund	\$31,068,227	\$1,015,828	\$32,084,055
3	Full-time equivalent positions	323.93	8.97	332.90
4	Subdivision 3.			

LAKE REGION STATE COLLEGE

6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Operations	\$37,559,127	\$1,591,786	\$39,150,913
9	Capital assets	<u>362,667</u>	<u>363,000</u>	<u>725,667</u>
10	Total all funds	\$37,921,794	\$1,954,786	\$39,876,580
11	Less estimated income	<u>24,976,514</u>	<u>657,914</u>	<u>25,634,428</u>
12	Total general fund	\$12,945,280	\$1,296,872	\$14,242,152
13	Full-time equivalent positions	118.10	(2.34)	115.76
14	Subdivision 4.			

WILLISTON STATE COLLEGE

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$32,596,060	\$1,448,244	\$34,044,304
19	Capital assets	<u>1,261,968</u>	<u>0</u>	<u>1,261,968</u>
20	Total all funds	\$33,858,028	\$1,448,244	\$35,306,272
21	Less estimated income	<u>23,790,285</u>	<u>229,250</u>	<u>24,019,535</u>
22	Total general fund	\$10,067,743	\$1,218,994	\$11,286,737
23	Full-time equivalent positions	100.48	0.81	101.29
24	Subdivision 5.			

UNIVERSITY OF NORTH DAKOTA

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Operations	\$888,106,266	\$15,164,018	\$903,270,284
29	Capital assets	<u>4,411,566</u>	<u>0</u>	<u>4,411,566</u>
30	Total all funds	\$892,517,832	\$15,164,018	\$907,681,850
31	Less estimated income	<u>744,185,677</u>	<u>11,472,094</u>	<u>755,657,771</u>

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1	Total general fund	\$148,332,155	\$3,691,924	\$152,024,079
2	Full-time equivalent positions	2,132.17	(72.19)	2,059.98
3	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$743,775,571	\$12,398,750	\$756,174,321
8	Capital assets	<u>7,799,104</u>	<u>0</u>	<u>7,799,104</u>
9	Total all funds	\$751,574,675	\$12,398,750	\$763,973,425
10	Less estimated income	<u>618,859,692</u>	<u>6,557,408</u>	<u>625,417,100</u>
11	Total general fund	\$132,714,983	\$5,841,342	\$138,556,325
12	Full-time equivalent positions	1,870.16	(40.73)	1,829.43
13	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$95,725,411	(\$177,946)	\$95,547,465
18	Capital assets	<u>1,012,379</u>	<u>0</u>	<u>1,012,379</u>
19	Total all funds	\$96,737,790	(\$177,946)	\$96,559,844
20	Less estimated income	<u>60,195,768</u>	<u>649,284</u>	<u>60,845,052</u>
21	Total general fund	\$36,542,022	(\$827,230)	\$35,714,792
22	Full-time equivalent positions	310.73	0.88	311.61
23	Subdivision 8.			

DICKINSON STATE UNIVERSITY

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$48,560,994	\$2,265,066	\$50,826,060
28	Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
29	Total all funds	\$48,970,072	\$2,265,066	\$51,235,138
30	Less estimated income	<u>30,577,009</u>	<u>415,399</u>	<u>30,992,408</u>

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1	Total general fund	\$18,393,063	\$1,849,667	\$20,242,730
2	Full-time equivalent positions	213.26	(37.76)	175.50
3	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$47,719,555	\$2,883,721	\$50,603,276
8	Capital assets	<u>358,992</u>	<u>0</u>	<u>358,992</u>
9	Total all funds	\$48,078,547	\$2,883,721	\$50,962,268
10	Less estimated income	<u>31,657,931</u>	<u>624,509</u>	<u>32,282,440</u>
11	Total general fund	\$16,420,616	\$2,259,212	\$18,679,828
12	Full-time equivalent positions	209.27	21.08	230.35
13	Subdivision 10.			

MINOT STATE UNIVERSITY

15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$102,325,073	\$1,829,704	\$104,154,777
18	Capital assets	<u>1,099,620</u>	<u>0</u>	<u>1,099,620</u>
19	Total all funds	\$103,424,693	\$1,829,704	\$105,254,397
20	Less estimated income	<u>63,528,000</u>	<u>519,767</u>	<u>64,047,767</u>
21	Total general fund	\$39,896,693	\$1,309,937	\$41,206,630
22	Full-time equivalent positions	407.58	(4.54)	403.04
23	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$48,176,928	\$1,906,472	\$50,083,400
28	Capital assets	<u>455,823</u>	<u>0</u>	<u>455,823</u>
29	Total all funds	\$48,632,751	\$1,906,472	\$50,539,223
30	Less estimated income	<u>25,973,818</u>	<u>404,028</u>	<u>26,377,846</u>

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1	Total general fund	\$22,658,933	\$1,502,444	\$24,161,377
2	Full-time equivalent positions	180.68	22.09	202.77
3	Subdivision 12.			
4	DAKOTA COLLEGE AT BOTTINEAU			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$21,440,606	\$2,199,449	\$23,640,055
8	Capital assets	<u>114,007</u>	<u>4,000,000</u>	<u>4,114,007</u>
9	Total all funds	\$21,554,613	\$6,199,449	\$27,754,062
10	Less estimated income	<u>13,813,787</u>	<u>4,402,413</u>	<u>18,216,200</u>
11	Total general fund	\$7,740,826	\$1,797,036	\$9,537,862
12	Full-time equivalent positions	82.29	9.57	91.86
13	Subdivision 13.			
14	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES			
15			Adjustments or	
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Operations	\$213,244,364	\$3,911,740	\$217,156,104
18	Health care workforce initiative	<u>10,676,150</u>	<u>0</u>	<u>10,676,150</u>
19	Total all funds	\$223,920,514	\$3,911,740	\$227,832,254
20	Less estimated income	<u>159,037,011</u>	<u>1,769,238</u>	<u>160,806,249</u>
21	Total general fund	\$64,883,503	\$2,142,502	\$67,026,005
22	Full-time equivalent positions	485.32	7.35	492.67
23	Subdivision 14.			
24	NORTH DAKOTA FOREST SERVICE			
25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Operations	\$15,223,336	\$119,729	\$15,343,065
28	Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
29	Total all funds	\$15,342,064	\$119,729	\$15,461,793
30	Less estimated income	<u>10,665,400</u>	<u>3,915</u>	<u>10,669,315</u>

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1	Total general fund	\$4,676,664	\$115,814	\$4,792,478
2	Full-time equivalent positions	27.00	1.00	28.00
3	Subdivision 15.			
4	TOTAL - SECTION 1			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Grand total general fund	\$648,667,805	\$37,935,721	\$686,603,526
8	Grand total special funds	<u>1,900,861,114</u>	<u>28,771,925</u>	<u>1,929,633,039</u>
9	Grand total all funds	\$2,549,528,919	\$66,707,646	\$2,616,236,565

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

SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the 2021-23 biennium one-time funding items included in section 1 of this Act:

14	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
15	Capital projects - other funds	\$408,500,000	\$4,363,000
16	North Dakota state university settlement agreement	0	125,000
17	Math pathways	0	150,000
18	Education challenge grants	9,400,000	0
19	School of law matching grants	250,000	0
20	Tier II and tier III capital building funds	29,000,000	0
21	Theodore Roosevelt digitization	200,000	0
22	University of North Dakota campus network upgrades	1,500,000	0
23	North Dakota state university campus network upgrades	<u>1,500,000</u>	<u>0</u>
24	Total all funds	\$450,350,000	\$4,638,000
25	Total other funds	<u>438,500,000</u>	<u>4,363,000</u>
26	Total general fund	\$11,850,000	\$275,000

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The institutions and entities under the control of the state board of higher education shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

1 **SECTION 3. APPROPRIATION - VALLEY CITY STATE UNIVERSITY - PURCHASE OF**
2 **LAND AUTHORIZED.** The state board of higher education, acting for and through Valley City
3 state university, is authorized to purchase two parcels of land in Barnes county, described as
4 the south half of the east one-third of lot one, block four, of Andrus and Sifton's addition to the
5 city of Valley City, and the south one hundred feet of the west one-third of the east half and the
6 east one-third of the west half of lot one, block four, in Andrus and Sifton's addition to the city of
7 Valley City, from the Valley City state university foundation for the use and betterment of Valley
8 City state university. There is appropriated from other funds the sum of \$309,000, or so much of
9 the sum as may be necessary, to Valley City state university for the purposes of this section for
10 the period beginning with the effective date of this Act and ending June 30, 2023. The funding
11 provided in this section is considered a one-time funding item.

12 **SECTION 4. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**
13 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from
14 federal, private, and other sources for competitive grants or other funds that the legislative
15 assembly has not indicated the intent to reject, including tuition revenue, received by the state
16 board of higher education and the institutions and entities under the control of the state board of
17 higher education, are appropriated to the board and those institutions and entities, for the
18 biennium beginning July 1, 2021, and ending June 30, 2023. All additional funds received under
19 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2021,
20 and ending June 30, 2023, are appropriated to the state board of higher education for
21 reimbursement to institutions under the control of the board.

22 **SECTION 5. TRANSFER - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE**
23 **AND HEALTH SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1
24 of this Act includes a funding allocation from the higher education per student credit-hour
25 funding formula attributable to inflation during the biennium beginning July 1, 2021, and ending
26 June 30, 2023. Based on the recommendation of the commissioner of higher education, a
27 portion of the allocation may be transferred by the state board of higher education between the
28 university of North Dakota school of medicine and health sciences and the university of North
29 Dakota.

30 **SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
31 **UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** The office of management and budget

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1 shall transfer \$19,000,000 from the strategic investment and improvements fund to the
2 university system capital building fund during the period beginning with the effective date of this
3 Act, and ending June 30, 2023, as requested by the commissioner of higher education. Funding
4 transferred pursuant to this section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
5 Bismarck state college	\$425,693	\$500,000	\$925,693
7 Lake Region state college	177,375	500,000	677,375
8 Williston state college	137,947	500,000	637,947
9 University of North Dakota	4,361,801	2,250,000	6,611,801
10 North Dakota state university	2,899,596	2,250,000	5,149,596
11 North Dakota state college of science	500,695	500,000	1,000,695
12 Dickinson state university	268,862	500,000	768,862
13 Mayville state university	240,029	500,000	740,029
14 Minot state university	572,801	500,000	1,072,801
15 Valley City state university	309,137	500,000	809,137
16 Dakota college at Bottineau	<u>106,064</u>	<u>500,000</u>	<u>606,064</u>
17 Total	\$10,000,000	\$9,000,000	\$19,000,000

18 **SECTION 7. CAPITAL BUILDING FUNDS - USES.** The institutions listed may use funding
19 from the respective institution's university system capital building fund allocation for the
20 following projects authorized by the sixty-sixth and sixty-seventh legislative assemblies:

21 North Dakota state university - Dunbar Hall	\$51,200,000
22 North Dakota state university - agriculture products development center	85,000,000
23 Lake Region state college - parking lot and infrastructure repair	250,000
24 Mayville state university - natural gas boiler	1,600,000
25 Williston state college - parking lot and infrastructure repair	850,000
26 Minot state university - Hartnett hall renovation	25,231,000
27 North Dakota state college of science - Hektner student center improvements	7,210,455
28 Dickinson state university - Dickinson sports center	7,000,000
29 Bismarck state college - cybersecurity technology center addition	3,200,000
30 Dakota college at Bottineau - Old main renovation	4,000,000
31 University of North Dakota - Merrifield hall and Twamley hall renovation	79,000,000

1	University of North Dakota - Business school	<u>70,000,000</u>
2	Total	\$334,541,455

3 **SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LAKE REGION**

4 **STATE COLLEGE - DAKOTA COLLEGE AT BOTTINEAU - CAPITAL PROJECTS.** The
5 appropriation in subdivision 3 of section 1 of this Act includes the sum of \$363,000 from the
6 strategic investment and improvements fund for the Lake Region state college Curtis and
7 Annette Hofstad agricultural center project. The appropriation in subdivision 12 of section 1 of
8 this Act includes the sum of \$2,500,000 from the strategic investment and improvements fund
9 for the Dakota college at Bottineau old main renovation project.

10 **SECTION 9. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.** The
11 capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding
12 from the general fund for institution extraordinary repairs. An institution shall provide two dollars
13 of matching funds from operations or other sources for each one dollar of extraordinary repairs
14 funding used for a project.

15 **SECTION 10. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-48 of the North
16 Dakota Century Code is amended and reenacted as follows:

17 c. The board may award up to one million seven hundred thousand dollars in
18 matching grants ~~to each institution~~to the university of North Dakota and North
19 Dakota state university, and up to one million five hundred thousand dollars in
20 matching grants for projects at the university of North Dakota school of medicine
21 and health sciences.

22 **SECTION 11. AMENDMENT.** Subdivision k of subsection 1 of section 15-18.2-02 of the
23 North Dakota Century Code is amended and reenacted as follows:

24 k. The ~~factor~~factors for credits completed in career and technical education is-
25 2.0~~are:~~

26 (1) 3.0 for lower division credits; and

27 (2) 5.0 for upper division credits.

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

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

- 2 1. Except as provided in subsections 2 and 3 of this section, for each institution under its
3 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 240,000;
 - 6 b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
 - 7 c. 1.10 if the number of credit-hours is at least ~~120,000~~135,000 but less than
8 180,000;
 - 9 d. 1.15 if the number of credit-hours is at least ~~90,000~~130,000 but less than
10 ~~120,000~~135,000;
 - 11 e. 1.20 if the number of credit-hours is at least ~~80,000~~120,000 but less than
12 ~~90,000~~130,000;
 - 13 f. 1.30 if the number of credit-hours is at least 70,000 but less than ~~80,000~~120,000;
 - 14 g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
 - 15 h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
 - 16 i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
 - 17 j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
 - 18 k. 1.80 if the number of credit-hours is less than 30,000.
- 19 2. ~~If the square footage of an institution, when divided by the institution's weighted credit-~~
20 ~~hours results in a quotient greater than 5.00, the state board of higher education shall~~
21 ~~multiply the product determined under section 15-18.2-02 by a factor of 1.00. For~~
22 ~~purposes of this subsection, the square footage of an institution includes real property~~
23 ~~as determined by the state board of higher education in accordance with section-~~
24 ~~15-18.2-04.~~
- 25 3. If the number of credit-hours completed by an institution ~~causes~~would cause a
26 decrease in the credit completion factor for that institution, ~~the new credit completion-~~
27 ~~factor shall not be in effect for calculation purposes for the first two fiscal years-~~
28 ~~following the change~~ compared to the credit completion factor the institution was
29 entitled to receive during the 2017-19 biennium, the state board of higher education
30 shall multiply the product determined under section 15-18.2-02 by a credit growth
31 factor of 1.0 for credits in excess of the factor the institution was entitled to receive

1 during the 2017-19 biennium. Any weighted credit-hours multiplied by a credit growth
2 factor under this section must have a weight of 1.0 under section 15-18.2-02. The
3 state board of higher education shall multiply the remaining weighted credits by the
4 credit completion factor the institution was entitled to receive during the 2017-19
5 biennium.

6 4.3. For purposes of this section, the number of credit-hours must be those determined by
7 the state board of higher education in accordance with section 15-18.2-01.

8 **SECTION 13. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **15-18.2-05. Base funding - Determination of state aid.**

- 11 1. Except as provided under ~~subsection 2, in order~~subsections 2 and 3, to determine the
12 state aid payment to which each institution under its control is entitled, the state board
13 of higher education shall multiply the product determined under section
14 ~~15-18.2-04~~15-18.2-03 by a base amount of:
- 15 a. ~~\$60.87~~\$61.81 in the case of North Dakota state university and the university of
16 North Dakota;
 - 17 b. ~~\$90.98~~\$92.60 in the case of Dickinson state university, Mayville state university,
18 Minot state university, and Valley City state university; and
 - 19 c. ~~\$97.06~~\$98.84 in the case of Bismarck state college, Dakota college at Bottineau,
20 Lake Region state college, North Dakota state college of science, and Williston
21 state college.
- 22 2. ~~An institution is entitled to an amount equal to seventy five percent of the product~~
23 ~~determined under subsection 1 for credits completed by students receiving a tuition~~
24 ~~waiver pursuant to section 54-12-35.~~For institutions under subdivision b of
25 subsection 1, the state board of higher education shall multiply the product determined
26 under section 15-18.2-03 for credits completed in instructional programs under
27 subdivision k of subsection 1 of section 15-18.2-02 by the base amount under
28 subdivision c of subsection 1.
- 29 3. For institutions under subdivision c of subsection 1, the state board of higher
30 education shall multiply the product determined under section 15-18.2-03 for upper
31 division credits completed in instructional programs under subdivisions a through j of

1 subsection 1 of section 15-18.2-02 by the base amount under subdivision b of
2 subsection 1.

3 **SECTION 14.** A new chapter to title 15 of the North Dakota Century Code is created and
4 enacted as follows:

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

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

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

16 Subject to tier II and tier III capital building fund matching requirements under this chapter,
17 each institution may use its allocation of funds from the university system capital building fund
18 for projects specifically authorized by the legislative assembly to use university system capital
19 building fund moneys. In addition, after an institution has matched and committed seventy-five
20 percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to
21 state board of higher education approval and matching requirements under this chapter, each
22 institution may use its allocation of funds from the university system capital building fund for
23 extraordinary repairs and deferred maintenance projects that do not increase the overall square
24 footage of a building. The state board of higher education shall report biennially to the legislative
25 management and to the appropriations committees of the legislative assembly on the use of
26 funding in the university system capital building fund, the source of matching funds, and each
27 institution's five-year plan for capital construction spending.

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

29 The state board of higher education may allocate tier II capital building fund moneys to an
30 institution for a project only after the institution provides one dollar of matching funds from
31 operations or other sources for each one dollar from the university system capital building fund

1 for the project. An institution may not use tier I extraordinary repairs funding, tier III capital
2 building fund moneys, or state funding appropriated for a specific capital project as matching
3 funds under this section.

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

5 The state board of higher education may allocate tier III capital building fund moneys to an
6 institution only after the institution provides two dollars of matching funds from operations or
7 other sources for each one dollar from the university system capital building fund for the project.

8 An institution may not use tier I extraordinary repairs funding, tier II capital building fund
9 moneys, or state funding appropriated for a specific capital project as matching funds under this
10 section.

11 **Capital building fund pool.**

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

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

21 **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**
22 **When they may continue. (Effective through July 31, 2024~~2023~~)**

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

1 the legislative assembly. The chairmen of the appropriations committees of the senate and
2 house of representatives of the legislative assembly with the office of the budget may continue
3 appropriations or balances in force for not more than two years after the expiration of the
4 biennial period during which they became available upon recommendation of the director of the
5 budget for:

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

17 **Office of management and budget to cancel unexpended appropriations - When they**
18 **may continue. (Effective after July 31, 2021-2023)** The office of management and budget,
19 thirty days after the close of each biennial period, shall cancel all unexpended appropriations or
20 balances of appropriations after the expiration of the biennial period during which they became
21 available under the law. Unexpended appropriations for the state historical society are not
22 subject to this section and the state historical society shall report on the amounts and uses of
23 funds carried over from one biennium to the appropriations committees of the next subsequent
24 legislative assembly. The chairmen of the appropriations committees of the senate and house of
25 representatives of the legislative assembly with the office of the budget may continue
26 appropriations or balances in force for not more than two years after the expiration of the
27 biennial period during which they became available upon recommendation of the director of the
28 budget for:

- 29 1. New construction projects.
- 30 2. Major repair or improvement projects.

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

10 **SECTION 16. AMENDMENT.** Section 2 of chapter 53 of the 2019 Session Laws is
11 amended and reenacted as follows:

12 **SECTION 2. APPROPRIATION - CAPITAL PROJECTS - EXEMPTION.**

- 13 1. Subject to the provisions of this section, the funds provided in this section, or so
- 14 much of the funds as may be necessary, are appropriated out of any moneys in
- 15 the general fund in the state treasury, not otherwise appropriated, to the following
- 16 institutions for the identified capital projects, for the period beginning with the
- 17 effective date of this Act, and ending June 30, 2019, as follows:

18 Bismarck state college Nursing Building	\$8,900,000
19 Dakota college at Bottineau dining hall and other projects	1,000,000
20 Lake Region state college precision agriculture project	1,000,000
21 North Dakota state university agriculture products	20,000,000
22 development center project	
23 North Dakota state university Dunbar Hall project	8,000,000
24 University of North Dakota Gamble Hall project	9,000,000
25 Valley City state university Communications and Fine Arts	<u>2,000,000</u>
26 Building project	
27 Total general fund	\$49,900,000

28 In accordance with section 54-44.1-11, any unaccepted funds from these

29 appropriations may be continued into the biennium beginning July 1, 2019, and ending

30 June 30, 2021.

- 1 2. The appropriation for the agriculture products development center project must
2 be continued into the biennium beginning July 1, 2019, and ending June 30,
3 2021, ~~and is available only if North Dakota state university certifies to the~~
4 ~~industrial commission and the director of the office of management and budget~~
5 ~~that \$20,000,000 of local and other funds has been obtained for the project or if~~
6 ~~North Dakota state university receives approval for a change in project scope~~
7 ~~from the legislative assembly or budget section pursuant to section 48-01.2-25.~~
8 3. The appropriation for the Gamble Hall project must be continued into the
9 biennium beginning July 1, 2019, and ending June 30, 2021, and is available only
10 if the university of North Dakota certifies to the industrial commission and the
11 director of the office of management and budget that \$55,000,000 of local and
12 other funds has been obtained for the project or if the university of North Dakota
13 receives approval for a change in project scope from the legislative assembly or
14 budget section pursuant to section 48-01.2-25.

15 **SECTION 17. REPEAL.** Subdivision d of subsection 1 of section 15-10-48 of the North
16 Dakota Century Code is repealed.

17 **SECTION 18. REPEAL.** Section 15-18.2-04 of the North Dakota Century Code is repealed.

18 **SECTION 19. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
19 period beginning with the effective date of this Act, and ending June 30, 2023, each capital
20 project authorized by the state board of higher education must have adequate project
21 management oversight by either an institution official or a representative of an external entity.
22 An institution may seek assistance from the North Dakota university system office for project
23 management oversight of a capital project.

24 **SECTION 20. UNIVERSITY OF NORTH DAKOTA - TECHNOLOGY ACCELERATOR**
25 **BUILDING REFINANCING.** The state board of higher education, acting for and through the
26 university of North Dakota, may enter into a refinancing agreement with a private entity for the
27 technology accelerator building during the period beginning with the effective date of this Act
28 and ending June 30, 2023.

29 **SECTION 21. TRANSFER OF DAKOTA INSTITUTE INVENTORY.** Bismarck state college
30 may transfer any rights, title, interests, copyrights, and inventory of any of the Dakota institute's
31 publications, books, or other documents or productions, regardless of format, to the author or

1 producer of the document or production for the period beginning with the effective date of this
2 Act, and ending June 30, 2023.

3 **SECTION 22. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT**

4 **REPORT.** Notwithstanding section 54-16-04, the office of management and budget shall
5 transfer appropriation authority from the operations to the capital assets line items within
6 subdivisions 2 through 14 of section 1 of this Act as requested by the state board of higher
7 education for the biennium beginning July 1, 2021, and ending June 30, 2023. The board shall
8 report any transfer of funds under this section to the legislative management.

9 **SECTION 23. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

10 Notwithstanding any other provisions of law, the state board of higher education may adjust full-
11 time equivalent positions as needed, subject to the availability of funds, for institutions and
12 entities under its control during the biennium beginning July 1, 2021, and ending June 30, 2023.
13 The North Dakota university system shall report any adjustments to the office of management
14 and budget as part of the submission of the 2023-25 biennium budget request.

15 **SECTION 24. EXEMPTION - PROJECT AUTHORIZATIONS.** Any unexpended amounts
16 remaining from the \$49,900,000 appropriated from the general fund for capital projects at
17 institutions under the control of the state board of higher education in section 2 of chapter 53 of
18 the 2019 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from
19 the appropriations are available to the respective institutions to complete the projects during the
20 biennium beginning July 1, 2021, and ending June 30, 2023.

21 **SECTION 25. LEGISLATIVE MANAGEMENT STUDY - STUDENT AFFORDABILITY.**

22 During the 2021-22 interim, the legislative management shall study higher education student
23 affordability, including all forms of financial assistance available for students enrolled at
24 institutions of higher education in the state. The study must include a review of available
25 scholarships, student loan programs, waivers, grants, and any other forms of student financial
26 assistance available for students enrolled at institutions of higher education in the state. The
27 study must also include a review of the eligibility requirements and other criteria relating to each
28 program, and their impact on the financial cost and utilization of each program. The legislative
29 management shall report its findings and recommendations, together with any legislation
30 required to implement the recommendations, to the sixty-eighth legislative assembly.

1 **SECTION 26. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION FUNDING**

2 **STABILIZATION.** During the 2021-22 interim, the legislative management shall consider
3 studying higher education funding mechanisms, including private-public partnerships and
4 distributions from permanent funds. The study must include potential mechanisms to stabilize
5 funding for higher education, including funding mechanisms used in other states. The legislative
6 management shall report its findings and recommendations, together with any legislation
7 required to implement the recommendations, to the sixty-eighth legislative assembly.

8 **SECTION 27. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION FUNDING**

9 **FORMULA.** During the 2021-22 interim, the legislative management shall consider studying the
10 higher education funding formula, including instructional program classification factors. The
11 legislative management shall report its findings and recommendations, together with any
12 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

13 **SECTION 28. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA - NURSING**

14 **EDUCATION CONSORTIUM.** It is the intent of the sixty-seventh legislative assembly that the
15 university of North Dakota discontinue making payments to other institutions of higher education
16 for costs relating to nursing education simulation laboratories.

17 **SECTION 29. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL**

18 **PROGRAM CLASSIFICATION FACTORS.** It is the intent of the sixty-seventh legislative
19 assembly that:

- 20 1. Veterinary medicine courses remain under the health sciences instructional program
21 classification within the higher education funding formula;
- 22 2. Computer and information sciences and support services courses be transferred to the
23 engineering instructional program classification within the higher education funding
24 formula; and
- 25 3. Lineworker; plumbing; powersports technology; heating, ventilating, air conditioning,
26 and refrigeration technology; diesel technology; mechanical systems; and machine
27 tooling courses be placed in an upper division under the career and technical
28 education instructional program classification within the higher education funding
29 formula.

30 **SECTION 30. EMERGENCY.** Sections 3, 6, 7, 8, 14, 16, 19, 20, and 21 of this Act and the
31 capital assets line items in section 1 of this Act are declared to be an emergency measure.