

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 authorize the state board of higher education to issue and sell bonds for  
3 capital projects; to provide statements of legislative intent; to provide for reports to the budget  
4 section; to provide for a legislative council study; to amend and reenact section 15-62.2-01 of  
5 the North Dakota Century Code, relating to student financial assistance grants; and to declare  
6 an emergency.

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

8 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this  
9 section represent the base level funding component appropriated to the North Dakota university  
10 system office and to the various entities and institutions under the supervision of the board of  
11 higher education listed in section 3 of this Act as follows:

12 Subdivision 1.

13 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

14 Capital assets	\$12,790,689
15 Competitive research	4,750,000
16 Centers for excellence	1,550,000
17 Board initiatives	485,306
18 System governance	4,472,850
19 Title II	695,600
20 Technology pool	25,089,639
21 Operations pool	578,417
22 Contingency and capital emergency	1,752,767
23 Professional liability insurance	1,850,000
24 Student financial assistance grants	2,930,215



Fifty-ninth  
Legislative Assembly

1	Less estimated income - Base level	<u>53,300,000</u>
2	Total general fund - Base level	\$86,920,262
3	Subdivision 6.	
4	NORTH DAKOTA STATE UNIVERSITY	
5	Operations	\$67,576,959
6	Capital assets	<u>27,737,531</u>
7	Total all funds - Base level	\$95,314,490
8	Less estimated income - Base level	<u>26,000,000</u>
9	Total general fund - Base level	\$69,314,490
10	Subdivision 7.	
11	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
12	Operations	\$23,936,824
13	Capital assets	<u>4,442,420</u>
14	Total all funds - Base level	\$28,379,244
15	Less estimated income - Base level	<u>3,668,920</u>
16	Total general fund - Base level	\$24,710,324
17	Subdivision 8.	
18	DICKINSON STATE UNIVERSITY	
19	Operations	\$13,598,831
20	Capital assets	<u>11,276,009</u>
21	Total all funds - Base level	\$24,874,840
22	Less estimated income - Base level	<u>10,882,047</u>
23	Total general fund - Base level	\$13,992,793
24	Subdivision 9.	
25	MAYVILLE STATE UNIVERSITY	
26	Operations	\$8,602,335
27	Capital assets	<u>5,769,589</u>
28	Total all funds - Base level	\$14,371,924
29	Less estimated income - Base level	<u>5,505,000</u>
30	Total general fund - Base level	\$8,866,924
31	Subdivision 10.	

Fifty-ninth  
Legislative Assembly

1	MINOT STATE UNIVERSITY	
2	Operations	\$25,769,578
3	Capital assets	<u>612,850</u>
4	Total general fund - Base level	\$26,382,428
5	Subdivision 11.	
6	VALLEY CITY STATE UNIVERSITY	
7	Operations	\$11,304,672
8	Capital assets	<u>4,350,634</u>
9	Total all funds - Base level	\$15,655,306
10	Less estimated income - Base level	<u>4,085,300</u>
11	Total general fund - Base level	\$11,570,006
12	Subdivision 12.	
13	MINOT STATE UNIVERSITY - BOTTINEAU	
14	Operations	\$4,102,856
15	Capital assets	<u>209,663</u>
16	Total general fund - Base level	\$4,312,519
17	Subdivision 13.	
18	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES	
19	Operations	<u>\$30,165,865</u>
20	Total general fund - Base level	\$30,165,865
21	Subdivision 14.	
22	NORTH DAKOTA FOREST SERVICE	
23	Operations	\$2,715,016
24	Capital assets	<u>146,061</u>
25	Total all funds - Base level	\$2,861,077
26	Less estimated income - Base level	<u>1,090,001</u>
27	General fund - Base level	\$1,771,076
28	Total general fund - Section 1	\$361,541,418
29	Total estimated income - Section 1	\$110,546,775
30	Total all funds - Section 1	\$472,088,193

1           **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The  
2 amounts identified in this section represent the funding adjustments or enhancements to the  
3 base funding level for the North Dakota university system office and to the various entities and  
4 institutions under the supervision of the board of higher education which are included in the  
5 appropriation in section 3 of this Act as follows:

6           Subdivision 1.

7                           NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

8 Capital assets	\$1,487,452
9 Competitive research program	440,000
10 Centers for excellence	(1,550,000)
11 Board initiatives	1,214,694
12 System governance	1,045,572
13 Common information services	(4,526,546)
14 Operations pool	(189,858)
15 Equity pool	2,000,000
16 Contingency and capital emergency	(1,315,844)
17 Professional liability insurance	(500,000)
18 Student financial assistance grants	574,187
19 Professional student exchange program	186,480
20 Scholars program	45,709
21 Native American scholarships	47,902
22 Education incentive programs	<u>397,902</u>
23 Total all funds - Adjustments/enhancements	(\$642,350)
24 Less estimated income - Adjustments/enhancements	<u>(1,518,231)</u>
25 Total general fund - Adjustments/enhancements	\$875,881

26           Subdivision 2.

27   BISMARCK STATE COLLEGE

28 Operations	\$753,221
29 Capital assets	<u>(1,288,719)</u>
30 Total all funds - Adjustments/enhancements	(\$535,498)



Fifty-ninth  
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1	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
2	Operations	\$1,050,004
3	Capital assets	<u>(1,620,168)</u>
4	Total all funds - Adjustments/enhancements	(\$570,164)
5	Less estimated income - Adjustments/enhancements	<u>(1,600,000)</u>
6	Total general fund - Adjustments/enhancements	\$1,029,836
7	Subdivision 8.	
8	DICKINSON STATE UNIVERSITY	
9	Operations	\$1,112,796
10	Capital assets	<u>(5,892,319)</u>
11	Total all funds - Adjustments/enhancements	(\$4,779,523)
12	Less estimated income - Adjustments/enhancements	<u>(5,882,047)</u>
13	Total general fund - Adjustments/enhancements	\$1,102,524
14	Subdivision 9.	
15	MAYVILLE STATE UNIVERSITY	
16	Operations	\$401,295
17	Capital assets	<u>(3,910,595)</u>
18	Total all funds - Adjustments/enhancements	(\$3,509,300)
19	Less estimated income - Adjustments/enhancements	<u>(4,005,000)</u>
20	Total general fund - Adjustments/enhancements	\$495,700
21	Subdivision 10.	
22	MINOT STATE UNIVERSITY	
23	Operations	\$1,446,271
24	Capital assets	<u>3,599,020</u>
25	Total all funds - Adjustments/enhancements	\$5,045,291
26	Less estimated income - Adjustments/enhancements	<u>3,535,000</u>
27	Total general fund - Adjustments/enhancements	\$1,510,291
28	Subdivision 11.	
29	VALLEY CITY STATE UNIVERSITY	
30	Operations	\$501,854
31	Capital assets	<u>(3,810,218)</u>

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Legislative Assembly

1	Total all funds - Adjustments/enhancements	(\$3,308,364)
2	Less estimated income - Adjustments/enhancements	<u>(4,053,300)</u>
3	Total general fund - Adjustments/enhancements	\$744,936

4 Subdivision 12.

5 MINOT STATE UNIVERSITY - BOTTINEAU

6	Operations	\$231,604
7	Capital assets	<u>3,400,062</u>
8	Total all funds - Adjustments/enhancements	\$3,631,666
9	Less estimate income - Adjustments/enhancements	<u>3,500,000</u>
10	Total general fund - Adjustments/enhancements	\$131,666

11 Subdivision 13.

12 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

13	Operations	<u>\$1,195,137</u>
14	Total general fund - Adjustments/enhancements	\$1,195,137

15 Subdivision 14.

16 NORTH DAKOTA FOREST SERVICE

17	Capital assets	(\$44,423)
18	Operations	<u>210,630</u>
19	Total all funds - Adjustments/enhancements	\$166,207
20	Less estimated income - Adjustments/enhancements	<u>(115,000)</u>
21	Total general fund - Adjustments/enhancements	\$281,207
22	Total general fund - Section 2	\$25,566,475
23	Total estimated income - Section 2	(\$28,735,778)
24	Total all funds - Section 2	(\$3,169,303)

25 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
26 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
27 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
28 other income, to the North Dakota university system office and the various entities and  
29 institutions under the supervision of the board of higher education for the purpose of defraying  
30 the expenses of those entities and institutions, for the biennium beginning July 1, 2005, and  
31 ending June 30, 2007, as follows:

Fifty-ninth  
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1           Subdivision 1.

2                   NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

3	Capital assets	\$14,278,141
4	Competitive research program	5,190,000
5	Board initiatives - New	1,700,000
6	System governance	5,518,422
7	Title II	695,600
8	Common information services	20,563,093
9	Operations pool	388,559
10	Equity pool	2,000,000
11	Contingency and capital emergency	436,923
12	Professional liability insurance	1,350,000
13	Student financial assistance grants	3,504,402
14	Professional student exchange program	1,864,780
15	Scholars program	862,077
16	Native American scholarships	251,988
17	Education incentive programs	<u>1,227,902</u>
18	Total all funds	\$59,831,887
19	Less estimated income	<u>2,337,276</u>
20	Total general fund appropriation	\$57,494,611

21           Subdivision 2.

22                                   BISMARCK STATE COLLEGE

23	Operations	\$16,865,548
24	Capital assets	<u>746,281</u>
25	Total all funds	\$17,611,829
26	Less estimated income	<u>502,800</u>
27	Total general fund appropriation	\$17,109,029

28           Subdivision 3.

29                                   LAKE REGION STATE COLLEGE

Fifty-ninth  
Legislative Assembly

1	Operations	\$5,389,989
2	Capital assets	<u>387,537</u>
3	Total general fund appropriation	\$5,777,526

4 Subdivision 4.

5 WILLISTON STATE COLLEGE

6	Operations	\$5,752,997
7	Capital assets	<u>8,136,475</u>
8	Total all funds	\$13,889,472
9	Less estimated income	<u>7,960,000</u>
10	Total general fund appropriation	\$5,929,472

11 Subdivision 5.

12 UNIVERSITY OF NORTH DAKOTA

13	Operations	\$92,736,602
14	Capital assets	<u>56,700,545</u>
15	Total all funds	\$149,437,147
16	Less estimated income	<u>54,400,000</u>
17	Total general fund appropriation	\$95,037,147

18 Subdivision 6.

19 NORTH DAKOTA STATE UNIVERSITY

20	Operations	\$75,804,650
21	Capital assets	<u>1,692,226</u>
22	Total general fund appropriation	\$77,496,876

23 Subdivision 7.

24 NORTH DAKOTA STATE COLLEGE OF SCIENCE

25	Operations	\$24,986,828
26	Capital assets	<u>2,822,252</u>
27	Total all funds	\$27,809,080
28	Less estimated income	<u>2,068,920</u>

29 Total general fund appropriation \$25,740,160

30 Subdivision 8.

31 DICKINSON STATE UNIVERSITY

Fifty-ninth  
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1	Operations	\$14,711,627
2	Capital assets	<u>5,383,690</u>
3	Total all funds	\$20,095,317
4	Less estimated income	<u>5,000,000</u>
5	Total general fund appropriation	\$15,095,317
6	Subdivision 9.	

7 MAYVILLE STATE UNIVERSITY

8	Operations	\$9,003,630
9	Capital assets	<u>1,858,994</u>
10	Total all funds	\$10,862,624
11	Less estimated income	<u>1,500,000</u>
12	Total general fund appropriation	\$9,362,624
13	Subdivision 10.	

14 MINOT STATE UNIVERSITY

15	Operations	\$27,215,849
16	Capital assets	<u>4,211,870</u>
17	Total all funds	\$31,427,719
18	Less estimated income	<u>3,535,000</u>
19	Total general fund appropriation	\$27,892,719
20	Subdivision 11.	

21 VALLEY CITY STATE UNIVERSITY

22	Operations	\$11,806,526
23	Capital assets	<u>540,416</u>
24	Total all funds	\$12,346,942
25	Less estimated income	<u>32,000</u>
26	Total general fund appropriation	\$12,314,942
27	Subdivision 12.	

28 MINOT STATE UNIVERSITY - BOTTINEAU

29	Operations	\$4,334,460
30	Capital assets	<u>3,609,725</u>
31	Total all funds	\$7,944,185

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1 Less estimated income 3,500,000  
2 Total general fund appropriation \$4,444,185

3 Subdivision 13.

4 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

5 Operations \$31,361,002

6 Total general fund appropriation \$31,361,002

7 Subdivision 14.

8 NORTH DAKOTA FOREST SERVICE

9 Capital assets \$101,638

10 Operations 2,925,646

11 Total all funds \$3,027,284

12 Less estimated income 975,001

13 Total general fund appropriation \$2,052,283

14 Total general fund appropriation - Section 3 \$387,107,893

15 Total estimated income appropriation - Section 3 \$81,810,997

16 Total all funds appropriation - Section 3 \$468,918,890

17 Grand total general fund appropriation - S.B. 2003 \$387,282,893

18 Grand total estimated income appropriation - S.B. 2003 \$165,153,497

19 Grand total all funds appropriation - S.B. 2003 \$552,436,390

20 **SECTION 4. BOARD INITIATIVES - NEW.** The sum of \$1,700,000, or so much of the  
21 sum as may be necessary, included in the board initiatives line item in subdivision 1 of section  
22 3 of this Act, must be used to support university system and statewide goals linked to the state  
23 board of higher education strategic plan and the higher education roundtable report, as  
24 determined by the board.

25 **SECTION 5. CAPITAL ASSETS.** The sum of \$14,278,141, or so much of the sum as  
26 may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this  
27 Act, must be used by the state board of higher education, to satisfy outstanding bond  
28 obligations.

29 **SECTION 6. OPERATIONS POOL.** The sum of \$578,417, or so much of the sum as  
30 may be necessary, included in the operations pool line item in subdivision 1 of section 3 of this

1 Act, is to be allocated for system priorities as determined by the state board of higher  
2 education.

3 **SECTION 7. COMMON INFORMATION SERVICES.** The sum of \$20,974,083, or so  
4 much of the sum as may be necessary, included in the common information services line item  
5 in subdivision 1 of section 3 of this Act, must be used for the benefit of the institutions and  
6 entities under the control of the state board of higher education, as determined by the board.  
7 Funding allocations are to be made based on the North Dakota university system information  
8 technology plan and technology priorities. Funds allocated pursuant to this section must be  
9 used to support the higher education computer network, the interactive video network, the  
10 on-line Dakota information network, and other related technology initiatives as determined by  
11 the board.

12 **SECTION 8. CONTINGENCY AND CAPITAL EMERGENCY.** The sum of \$436,923,  
13 or so much of the sum as may be necessary, included in the contingency and capital  
14 emergency line item in subdivision 1 of section 3 of this Act, must be used to meet unforeseen  
15 operations or capital asset needs and opportunities, as determined by the state board of higher  
16 education.

17 **SECTION 9. EQUITY POOL - REPORT TO THE BUDGET SECTION.** The sum of  
18 \$2,000,000, or so much of the sum as may be necessary, included in the equity pool line item  
19 in subdivision 1 of section 3 of this Act, must be used to address equity at higher education  
20 institutions as determined by the state board of higher education. The state board of higher  
21 education may not select a formula for distributing the funding or distribute the funding until  
22 January 1, 2006. A representative of the board shall provide a report to the budget section  
23 regarding the allocation of the equity pool. Funding allocations may be used as determined by  
24 the institutions but the allocations must be considered equity for budgetary purposes.

25 **SECTION 10. EDUCATION INCENTIVE PROGRAMS.** The sum of \$150,000 of the  
26 funding appropriated for education incentive programs in subdivision 1 of section 3 of this Act  
27 must be allocated to private baccalaureate degree-granting institutions offering doctorate  
28 programs for doctoral incentives. The remainder of the funding may be allocated to education  
29 incentive programs as determined by the state board of higher education, including the  
30 reduction or elimination of specific programs, and the state board of higher education may

1 determine the appropriate number of years of program eligibility for each education incentive  
2 program.

3 **SECTION 11. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.** All  
4 funds, in addition to those appropriated in section 3 of this Act, from federal, private, and other  
5 sources, received by the institutions and entities under the control of the state board of higher  
6 education are appropriated to those institutions and entities, for the biennium beginning July 1,  
7 2005, and ending June 30, 2007. All additional funds received under the North  
8 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2005, and  
9 ending June 30, 2007, are appropriated to the state board of higher education for  
10 reimbursement to institutions under the control of the board and for student financial assistance  
11 grants. Twenty-five percent of the additional funds must be used for student financial  
12 assistance grants for students at private baccalaureate degree-granting institutions.

13 **SECTION 12. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,  
14 2005, and ending June 30, 2007, the state board of higher education determines that funds  
15 allocated to campus operations in section 3 of this Act are needed for capital projects or  
16 extraordinary repairs, the board may transfer funds from operations to capital assets. The  
17 board shall report any transfer of funds under this section to the office of management and  
18 budget.

19 **SECTION 13. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The state  
20 board of higher education is authorized to adjust full-time equivalent positions as needed,  
21 subject to the availability of funds, for institutions and entities under its control. The university  
22 system shall report any adjustments to the office of management and budget before the  
23 submission of the 2007-09 biennium budget request.

24 **SECTION 14. BOND ISSUANCE AUTHORIZATION - PURPOSES -**  
25 **APPROPRIATION.** The state board of higher education, in accordance with chapter 15-55,  
26 may arrange for the funding of the projects authorized in this section, declared to be in the  
27 public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness  
28 under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2007.  
29 Evidences of indebtedness issued pursuant to this section are not a general obligation of the  
30 state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences  
31 of indebtedness must be placed in a sinking fund to be used for the retirement of the

1 indebtedness. The evidences of indebtedness may be issued and the proceeds are  
2 appropriated, for the biennium beginning July 1, 2005, and ending June 30, 2007, for the  
3 purpose of financing the following capital projects:

4 Bismarck state college - Residence hall	\$2,617,500
5 University of North Dakota - Dining center renovation	2,100,000
6 University of North Dakota - Parking ramp structure	19,000,000
7 University of North Dakota - University housing replacement	20,000,000
8 North Dakota state university - Wellness center addition	12,000,000
9 North Dakota state university - Memorial union renovation and addition	22,000,000
10 Minot state university - Crane hall renovation	<u>5,000,000</u>

11 Bismarck state college may obtain and utilize special funds to assist in the construction of a  
12 new residence hall. There is appropriated to Bismarck state college the sum of \$625,000, or so  
13 much of the sum as may be necessary, from any other funds that may become available for  
14 this project, for the biennium beginning July 1, 2005, and ending June 30, 2007.

15 Total special funds appropriation \$83,342,500

16 **SECTION 15. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS**

17 **BUILDING.** The state board of higher education may enter into an agreement or agreements  
18 with the North Dakota state university foundation or other private entity and do all things  
19 necessary and proper to authorize construction by the foundation or other private entity of a  
20 college of business building on the North Dakota state university campus, using donations,  
21 gifts, or other private funds.

22 **SECTION 16. MINOT STATE UNIVERSITY - CRANE HALL RENOVATION.** The

23 state board of higher education may enter into an agreement or agreements with a private  
24 vendor and do all things necessary and proper to authorize renovation and operation of crane  
25 hall on the Minot state university campus as a residence hall using auxiliary revenues.

26 **SECTION 17. LEGISLATIVE INTENT - LONG-TERM FINANCE PLAN REVIEW -**

27 **REPORT TO THE BUDGET SECTION.** It is the intent of the fifty-ninth legislative assembly  
28 that the state board of higher education conduct a review of the long-term finance plan,  
29 including a review of peer institutions and a review of the allocation of funds between equity  
30 and parity within the plan, during the 2005-06 interim. A representative of the board shall

1 periodically report to the appropriate committee of the legislative council and the budget section  
2 on the status of the review during the 2005-06 interim.

3 **SECTION 18. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM -**  
4 **EXECUTIVE BUDGET RECOMMENDATION.** It is the intent of the fifty-ninth legislative  
5 assembly that the office of the budget submit for introduction to the sixtieth legislative assembly  
6 the North Dakota university system appropriations bill for the 2007-09 biennium in the same  
7 format as approved by the fifty-ninth legislative assembly.

8 **SECTION 19. NORTH DAKOTA STATE UNIVERSITY SPECIAL ASSESSMENT**  
9 **DISTRICT.** The state board of higher education may authorize North Dakota state university to  
10 request of the city of Fargo creation of a \$1,025,000 special improvement district to finance  
11 necessary repairs and improvements to seventeenth avenue located on the North Dakota state  
12 university campus.

13 **SECTION 20. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**  
14 **MEASURES.** It is the intent of the legislative assembly that the board of higher education's  
15 performance and accountability report as required by section 15-10-14.2 include an executive  
16 summary and information regarding:

- 17 1. Education excellence, including:
- 18 a. Student performance on nationally recognized exams in their major fields
  - 19 compared to the national averages.
  - 20 b. First-time licensure pass rates compared to other states.
  - 21 c. Alumni-reported and student-reported satisfaction with preparation in selected
  - 22 major, acquisition of specific skills, and technology knowledge and abilities.
  - 23 d. Employer-reported satisfaction with preparation of recently hired graduates.
  - 24 e. Biennial report on employee satisfaction relating to the university system and
  - 25 local institutions.
  - 26 f. Student graduation and retention rates.
- 27 2. Economic development, including:
- 28 a. Enrollment in entrepreneurship courses and the number of graduates of
  - 29 entrepreneurship programs.
  - 30 b. Percentage of university system graduates obtaining employment appropriate
  - 31 to their education in the state.

- 1 c. Number of businesses and employees in the region receiving training.
- 2 3. Student access, including number and proportion of enrollments in courses offered
- 3 by nontraditional methods.
- 4 4. Student affordability, including:
- 5 a. Tuition and fees on a per student basis compared to the regional average.
- 6 b. Tuition and fees as a percentage of median North Dakota household income.
- 7 c. Cost per student in terms of general fund appropriations and total university
- 8 system funding.
- 9 d. Per capita general fund appropriations for higher education.
- 10 e. State general fund appropriation levels for university system institutions
- 11 compared to peer institutions general fund appropriation levels.
- 12 5. Financial operations, including:
- 13 a. Cost per student and percentage distribution by major function.
- 14 b. Ratio measuring the funding derived from operating and contributed income
- 15 compared to total university system funding.
- 16 c. Ratio measuring the amount of expendable net assets as compared to the
- 17 amount of long-term debt.
- 18 d. Research expenditures in proportion to the amount of revenue generated by
- 19 research activity and funding received for research activity.
- 20 e. Ratio measuring the amount of expendable fund balances divided by total
- 21 expenditures and mandatory transfers.
- 22 f. Ratio measuring net total revenues divided by total current revenues.

23 **SECTION 21. BISMARCK STATE COLLEGE CAREER AND TECHNOLOGY**

24 **INSTITUTE.** The state board of higher education may enter into an agreement or agreements  
25 with the Bismarck state college foundation or other private entity and do all things necessary  
26 and proper to authorize construction by the foundation or other private entity of a building on  
27 the Bismarck state college campus, using state funds, federal funds, donations, gifts, or other  
28 private funds.

29 **SECTION 22. LEGISLATIVE INTENT - STUDENT EXCHANGE PROGRAMS.** It is the  
30 intent of the fifty-ninth legislative assembly that the state board of higher education consider  
31 allowing related faculty members and practicing professionals in the related fields in the state to

1 assist in the selection of students awarded funding through the student exchange program and  
2 consider investigating options of entering contracts with other higher education institutions for  
3 providing opportunities for students to complete professional fields of study not offered through  
4 the North Dakota university system, specifically other institutions granting professional degrees  
5 targeting critical shortages in large animal veterinary practice.

6 **SECTION 23. LEGISLATIVE COUNCIL STUDY OF HIGHER EDUCATION FUNDING**  
7 **AND ACCOUNTABILITY.** The legislative council shall consider studying higher education  
8 funding and accountability during the 2005-06 interim. If conducted, the study should include a  
9 review of the progress made in implementing the higher education roundtable  
10 recommendations relating to the university system meeting the state's expectations and needs,  
11 the funding methodology needed to meet these expectations and needs, and the appropriate  
12 accountability and reporting system for the North Dakota university system. The review should  
13 include an independent consultant's evaluation of:

- 14 1. The roundtable recommendations and the goals and objectives of the North  
15 Dakota university system;
- 16 2. The long-term financing plan for the North Dakota university system, including a  
17 review of the peer institutions selected and updated funding comparisons;
- 18 3. The North Dakota university system's prioritization of higher education funding,  
19 including the resource allocation mechanism addressing equity funding issues and  
20 the funding for initiatives at North Dakota's colleges and universities; and
- 21 4. The accountability mechanisms.

22 The study should be conducted and the consultant selected with input from the state  
23 board of higher education. The independent consultant selected to do the evaluation shall  
24 possess a national reputation and experience in higher education governance and funding and  
25 management in multicampus public university systems.

26 The legislative council shall report its findings and recommendations, together with any  
27 legislation required to implement the recommendations, to the sixtieth legislative assembly.

28 **SECTION 24. APPROPRIATION.** There is appropriated out of any moneys in the  
29 general fund in the state treasury, not otherwise appropriated, the sum of \$175,000 or so much  
30 of the sum as may be necessary, to the legislative council for the purpose of conducting the  
31 higher education study as provided for in this Act, for the biennium beginning July 1, 2005, and

1 ending June 30, 2007. The legislative council may receive any other funds available for  
2 conducting the study and such funds are hereby appropriated.

3 **SECTION 25. AMENDMENT.** Section 15-62.2-01 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15-62.2-01. Student financial assistance and scholars programs - Establishment -**  
6 **Administrative responsibility.** The North Dakota student financial assistance and scholars  
7 programs are established to provide grants or scholarships, or both, to assist the following  
8 students:

- 9 1. Resident undergraduate students pursuant to section 15-10-19.1.
- 10 2. North Dakota resident students who have attended and graduated from a high  
11 school in a bordering state pursuant to section 15-40.2-10, who are attending  
12 qualified institutions of postsecondary education within North Dakota.
- 13 3. North Dakota resident students who, because of physical or mental handicap as  
14 certified by a physician, are attending postsecondary institutions out of state due to  
15 the lack of special services or facilities, or both, necessary to meet the  
16 postsecondary educational needs of the handicapped students within North  
17 Dakota.
- 18 4. Scholars who qualify and are selected for scholarships pursuant to sections  
19 15-62.2-00.1 and 15-62.2-03.1 through 15-62.2-03.5.

20 A student must be in substantial need of financial assistance to receive grants under the  
21 student financial assistance program. The state board of higher education shall administer the  
22 student financial assistance program and the scholars program. At least twenty-five percent of  
23 the funds appropriated for the student financial assistance program must be allocated to  
24 students at private baccalaureate degree-granting institutions with the remaining funds  
25 allocated to students at public and American Indian institutions.

26 **SECTION 26. EMERGENCY.** The capital assets, professional student exchange  
27 program, and contingency and capital emergency line items contained in section 3 of this Act  
28 and sections 14, 15, and 19 of this Act are declared to be an emergency measure.