

**FIRST ENGROSSMENT
with Conference Committee 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 provide for transfer of funds; to authorize the state board of higher
3 education to issue and sell bonds for capital projects; to limit student tuition rates; to provide for
4 a legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century
5 Code, relating to the contract with the Kansas state university veterinary medical education
6 program; to repeal section 15-12-27 of the North Dakota Century Code, relating to North
7 Dakota state university's eighteenth street development fund; to provide for retroactive
8 application; and to declare an emergency.

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

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

14 Subdivision 1.

15 **NORTH DAKOTA UNIVERSITY SYSTEM OFFICE**

16 Capital assets	\$14,278,141
17 Competitive research	5,190,000
18 Board initiatives	1,885,000
19 System governance	5,568,422
20 Title II	695,600
21 Common information services	20,563,093
22 Operations pool	388,559
23 Equity pool	2,000,000
24 Contingency and capital emergency	436,923

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1	Professional liability insurance	1,350,000
2	Student financial assistance grants	3,504,402
3	Professional student exchange program	2,127,280
4	Scholars program	862,077
5	Native American scholarships	251,988
6	Education incentive programs	<u>1,227,902</u>
7	Total all funds - Base level	\$60,329,387
8	Less estimated income - Base level	<u>2,599,776</u>
9	Total general fund - Base level	\$57,729,611
10	Subdivision 2.	
11	BISMARCK STATE COLLEGE	
12	Operations	\$16,865,548
13	Capital assets	<u>3,988,781</u>
14	Total all funds - Base level	\$20,854,329
15	Less estimated income - Base level	<u>3,745,300</u>
16	Total general fund appropriation - Base level	\$17,109,029
17	Subdivision 3.	
18	LAKE REGION STATE COLLEGE	
19	Operations	\$5,389,989
20	Capital assets	<u>387,537</u>
21	Total general fund appropriation - Base level	\$5,777,526
22	Subdivision 4.	
23	WILLISTON STATE COLLEGE	
24	Operations	\$5,752,997
25	Capital assets	<u>8,136,475</u>
26	Total all funds - Base level	\$13,889,472
27	Less estimated income - Base level	<u>7,960,000</u>
28	Total general fund appropriation - Base level	\$5,929,472
29	Subdivision 5.	
30	UNIVERSITY OF NORTH DAKOTA	

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1	Operations	\$92,551,602
2	Capital assets	<u>100,132,099</u>
3	Total all funds - Base level	\$192,683,701
4	Less estimated income - Base level	<u>97,831,554</u>
5	Total general fund appropriation - Base level	\$94,852,147
6	Subdivision 6.	
7	NORTH DAKOTA STATE UNIVERSITY	
8	Operations	\$75,804,650
9	Capital assets	<u>39,192,226</u>
10	Total all funds - Base level	\$114,996,876
11	Less estimated income - Base level	<u>37,500,000</u>
12	Total general fund appropriation - Base level	\$77,496,876
13	Subdivision 7.	
14	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
15	Operations	\$24,986,828
16	Capital assets	<u>3,558,252</u>
17	Total all funds - Base level	\$28,545,080
18	Less estimated income - Base level	<u>2,804,920</u>
19	Total general fund appropriation - Base level	\$25,740,160
20	Subdivision 8.	
21	DICKINSON STATE UNIVERSITY	
22	Operations	\$14,711,627
23	Capital assets	<u>9,484,247</u>
24	Total all funds - Base level	\$24,195,874
25	Less estimated income - Base level	<u>9,100,557</u>
26	Total general fund appropriation - Base level	\$15,095,317
27	Subdivision 9.	
28	MAYVILLE STATE UNIVERSITY	
29	Operations	\$9,003,630
30	Capital assets	<u>1,858,994</u>
31	Total all funds - Base level	\$10,862,624

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1 Less estimated income - Base level 1,500,000

2 Total general fund appropriation - Base level \$9,362,624

3 Subdivision 10.

4 MINOT STATE UNIVERSITY

5 Operations \$27,215,849

6 Capital assets 9,211,870

7 Total all funds - Base level \$36,427,719

8 Less estimated income - Base level 8,535,000

9 Total general fund appropriation - Base level \$27,892,719

10 Subdivision 11.

11 VALLEY CITY STATE UNIVERSITY

12 Operations \$11,806,526

13 Capital assets 508,416

14 Total general fund appropriation - Base level \$12,314,942

15 Subdivision 12.

16 MINOT STATE UNIVERSITY - BOTTINEAU

17 Operations \$4,334,460

18 Capital assets 6,109,725

19 Total all funds - Base level \$10,444,185

20 Less estimated income - Base level 6,000,000

21 Total general fund appropriation - Base level \$4,444,185

22 Subdivision 13.

23 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

24 Operations \$31,361,002

25 Total general fund appropriation - Base level \$31,361,002

26 Subdivision 14.

27 NORTH DAKOTA FOREST SERVICE

28 Operations \$2,925,646

29 Capital assets 101,638

30 Total all funds - Base level \$3,027,284

31 Less estimated income - Base level 975,001

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1	Total general fund appropriation - Base level	\$2,052,283
2	Total general fund appropriation - Section 1	\$387,157,893
3	Total estimated income appropriation - Section 1	\$178,552,108
4	Total all funds appropriation - Section 1	\$565,710,001

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

10 Subdivision 1.

11 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

12	Capital assets	\$2,225,971
13	Competitive research program	460,000
14	Board initiatives	(1,486,500)
15	System governance	314,972
16	Common information services	10,914,000
17	Operations pool	(388,559)
18	Equity pool	(2,000,000)
19	Contingency and capital emergency	(436,923)
20	Professional liability insurance	(250,000)
21	Student financial assistance grants	2,483,095
22	Professional student exchange program	595,666
23	Scholars program	616,489
24	Native American scholarships	128,638
25	Education incentive programs	<u>512,412</u>
26	Total all funds - Adjustments/enhancements	\$13,689,261
27	Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
28	Total general fund - Adjustments/enhancements	\$10,871,507

29 Subdivision 2.

30 BISMARCK STATE COLLEGE

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1	Operations	\$2,868,132
2	Capital assets	<u>2,707,161</u>
3	Total all funds - Adjustments/enhancements	\$5,575,293
4	Less estimated income - Adjustments/enhancements	<u>1,988,750</u>
5	Total general fund - Adjustments/enhancements	\$3,586,543

6 Subdivision 3.

7 LAKE REGION STATE COLLEGE

8	Operations	\$1,121,359
9	Capital assets	<u>2,745,667</u>
10	Total all funds - Adjustments/enhancements	\$3,867,026
11	Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
12	Total general fund - Adjustments/enhancements	\$859,426

13 Subdivision 4.

14 WILLISTON STATE COLLEGE

15	Operations	\$869,507
16	Capital assets	<u>(5,879,277)</u>
17	Total all funds - Adjustments/enhancements	(\$5,009,770)
18	Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
19	Total general fund - Adjustments/enhancements	\$650,230

20 Subdivision 5.

21 UNIVERSITY OF NORTH DAKOTA

22	Operations	\$14,460,228
23	Capital assets	<u>(18,303,224)</u>
24	Total all funds - Adjustments/enhancements	(\$3,842,996)
25	Less estimated income - Adjustments/enhancements	<u>(23,911,554)</u>
26	Total general fund - Adjustments/enhancements	\$20,068,558

27 Subdivision 6.

28 NORTH DAKOTA STATE UNIVERSITY

29	Operations	\$13,788,980
30	Capital assets	<u>4,016,935</u>
31	Total all funds - Adjustments/enhancements	\$17,805,915

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1	Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
2	Total general fund - Adjustments/enhancements	\$20,805,915
3	Subdivision 7.	
4	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
5	Operations	\$2,753,540
6	Capital assets	<u>1,198,613</u>
7	Total all funds - Adjustments/enhancements	\$3,952,153
8	Less estimated income - Adjustments/enhancements	<u>565,500</u>
9	Total general fund - Adjustments/enhancements	\$3,386,653
10	Subdivision 8.	
11	DICKINSON STATE UNIVERSITY	
12	Operations	\$2,144,483
13	Capital assets	<u>(465,484)</u>
14	Total all funds - Adjustments/enhancements	\$1,678,999
15	Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
16	Total general fund - Adjustments/enhancements	\$2,779,556
17	Subdivision 9.	
18	MAYVILLE STATE UNIVERSITY	
19	Operations	\$1,111,435
20	Capital assets	<u>130,969</u>
21	Total all funds - Adjustments/enhancements	\$1,242,404
22	Less estimated income - Adjustments/enhancements	<u>(600,000)</u>
23	Total general fund - Adjustments/enhancements	\$1,842,404
24	Subdivision 10.	
25	MINOT STATE UNIVERSITY	
26	Operations	\$2,879,273
27	Capital assets	<u>367,024</u>
28	Total all funds - Adjustments/enhancements	\$3,246,297
29	Less estimated income - Adjustments/enhancements	<u>(7,128,385)</u>
30	Total general fund - Adjustments/enhancements	\$10,374,682
31	Subdivision 11.	

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1	VALLEY CITY STATE UNIVERSITY	
2	Operations	\$1,543,611
3	Capital assets	<u>2,487,819</u>
4	Total all funds - Adjustments/enhancements	\$4,031,430
5	Less estimated income - Adjustments/enhancements	<u>2,200,000</u>
6	Total general fund - Adjustments/enhancements	\$1,831,430

7 Subdivision 12.

8	MINOT STATE UNIVERSITY - BOTTINEAU	
9	Operations	\$425,088
10	Capital assets	<u>(5,699,023)</u>
11	Total all funds - Adjustments/enhancements	(\$5,273,935)
12	Less estimated income - Adjustments/enhancements	<u>(5,748,000)</u>
13	Total general fund - Adjustments/enhancements	\$474,065

14 Subdivision 13.

15	UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE	
16	AND HEALTH SCIENCES	
17	Operations	<u>\$3,127,499</u>
18	Total general fund - Adjustments/enhancements	\$3,127,499

19 Subdivision 14.

20	NORTH DAKOTA FOREST SERVICE	
21	Operations	\$427,182
22	Capital assets	<u>78,566</u>
23	Total all funds - Adjustments/enhancements	\$505,748
24	Less estimated income - Adjustments/enhancements	<u>22,485</u>
25	Total general fund - Adjustments/enhancements	\$483,263
26	Total general fund - Section 2	\$81,141,731
27	Total estimated income - Section 2	(\$36,546,407)
28	Total all funds - Section 2	\$44,595,324

29 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
30 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
31 treasury, not otherwise appropriated, and from special funds derived from federal funds and

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1 other income, to the North Dakota university system office and the various entities and
2 institutions under the supervision of the state board of higher education for the purpose of
3 defraying the expenses of those entities and institutions, for the biennium beginning July 1,
4 2007, and ending June 30, 2009, as follows:

5 Subdivision 1.

6 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

7 Capital assets	\$16,504,112
8 Competitive research program	5,650,000
9 Board initiatives	398,500
10 System governance	5,883,394
11 Title II	695,600
12 Common information services	31,477,093
13 Professional liability insurance	1,100,000
14 Student financial assistance grants	5,987,497
15 Professional student exchange program	2,722,946
16 Scholars program	1,478,566
17 Native American scholarships	380,626
18 Education incentive programs	<u>1,740,314</u>
19 Total all funds	\$74,018,648
20 Less estimated income	<u>5,417,530</u>
21 Total general fund appropriation	\$68,601,118

22 Subdivision 2.

23 BISMARCK STATE COLLEGE

24 Operations	\$19,733,680
25 Capital assets	<u>6,695,942</u>
26 Total all funds	\$26,429,622
27 Less estimated income	<u>5,734,050</u>
28 Total general fund appropriation	\$20,695,572

29 Subdivision 3.

30 LAKE REGION STATE COLLEGE

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1	Operations	\$6,511,348
2	Capital assets	<u>3,133,204</u>
3	Total all funds	\$9,644,552
4	Less estimated income	<u>3,007,600</u>
5	Total general fund appropriation	\$6,636,952
6	Subdivision 4.	

7 WILLISTON STATE COLLEGE

8	Operations	\$6,622,504
9	Capital assets	<u>2,257,198</u>
10	Total all funds	\$8,879,702
11	Less estimated income	<u>2,300,000</u>
12	Total general fund appropriation	\$6,579,702
13	Subdivision 5.	

14 UNIVERSITY OF NORTH DAKOTA

15	Operations	\$107,011,830
16	Capital assets	<u>81,828,875</u>
17	Total all funds	\$188,840,705
18	Less estimated income	<u>73,920,000</u>
19	Total general fund appropriation	\$114,920,705
20	Subdivision 6.	

21 NORTH DAKOTA STATE UNIVERSITY

22	Operations	\$89,593,630
23	Capital assets	<u>43,209,161</u>
24	Total all funds	\$132,802,791
25	Less estimated income	<u>34,500,000</u>
26	Total general fund appropriation	\$98,302,791
27	Subdivision 7.	

28 NORTH DAKOTA STATE COLLEGE OF SCIENCE

29	Operations	\$27,740,368
30	Capital assets	<u>4,756,865</u>
31	Total all funds	\$32,497,233

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1	Less estimated income	<u>3,370,420</u>
2	Total general fund appropriation	\$29,126,813
3	Subdivision 8.	
4		DICKINSON STATE UNIVERSITY
5	Operations	\$16,856,110
6	Capital assets	<u>9,018,763</u>
7	Total all funds	\$25,874,873
8	Less estimated income	<u>8,000,000</u>
9	Total general fund appropriation	\$17,874,873
10	Subdivision 9.	
11		MAYVILLE STATE UNIVERSITY
12	Operations	\$10,115,065
13	Capital assets	<u>1,989,963</u>
14	Total all funds	\$12,105,028
15	Less estimated income	<u>900,000</u>
16	Total general fund appropriation	\$11,205,028
17	Subdivision 10.	
18		MINOT STATE UNIVERSITY
19	Operations	\$30,095,122
20	Capital assets	<u>9,578,894</u>
21	Total all funds	\$39,674,016
22	Less estimated income	<u>1,406,615</u>
23	Total general fund appropriation	\$38,267,401
24	Subdivision 11.	
25		VALLEY CITY STATE UNIVERSITY
26	Operations	\$13,350,137
27	Capital assets	<u>2,996,235</u>
28	Total all funds	\$16,346,372
29	Less estimated income	<u>2,200,000</u>
30	Total general fund appropriation	\$14,146,372
31	Subdivision 12.	

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1	MINOT STATE UNIVERSITY - BOTTINEAU	
2	Operations	\$4,759,548
3	Capital assets	<u>410,702</u>
4	Total all funds	\$5,170,250
5	Less estimated income	<u>252,000</u>
6	Total general fund appropriation	\$4,918,250

7 Subdivision 13.

8 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
9 AND HEALTH SCIENCES

10	Operations	<u>\$34,488,501</u>
11	Total general fund appropriation	\$34,488,501

12 Subdivision 14.

13 NORTH DAKOTA FOREST SERVICE

14	Operations	\$3,352,828
15	Capital assets	<u>180,204</u>
16	Total all funds	\$3,533,032
17	Less estimated income	<u>997,486</u>
18	Total general fund appropriation	\$2,535,546
19	Total general fund appropriation - Section 3	\$468,299,624
20	Total estimated income appropriation - Section 3	\$142,005,701
21	Total all funds appropriation - Section 3	\$610,305,325
22	Grand total general fund appropriation - H.B. 1003	\$468,449,624
23	Grand total estimated income appropriation - H.B. 1003	\$164,719,701
24	Grand total all funds appropriation - H.B. 1003	\$633,169,325

25 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the
26 general fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may
27 be necessary, to Dickinson state university for the purpose of providing one-time startup
28 funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007,
29 and ending June 30, 2009.

30 **SECTION 5. BOARD INITIATIVES - REPORT TO THE SIXTY-FIRST LEGISLATIVE**
31 **ASSEMBLY.** The board initiatives line item in subdivision 1 of section 3 of this Act includes the

1 sum of \$300,000 for a grant to the space grant consortium to match federal funds and the sum
2 of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the
3 initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on
4 the effectiveness of the initiative to the appropriations committees of the sixty-first legislative
5 assembly.

6 **SECTION 6. CAPITAL ASSETS.** The sum of \$15,754,112, or so much of the sum as
7 may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this
8 Act, must be used by the state board of higher education to satisfy outstanding bond
9 obligations.

10 **SECTION 7. COMMON INFORMATION SERVICES.** The sum of \$31,477,093, or so
11 much of the sum as may be necessary, included in the common information services line item
12 in subdivision 1 of section 3 of this Act, must be used for the benefit of the institutions and
13 entities under the control of the state board of higher education, as determined by the board.
14 Funding allocations are to be made based on the North Dakota university system information
15 technology plan and technology priorities. Funds allocated pursuant to this section must be
16 used to support the higher education computer network, the interactive video network, the
17 on-line Dakota information network, connectND, northern tier network, and other related
18 technology initiatives as determined by the board.

19 **SECTION 8. CAPITAL ASSETS - MAYVILLE STATE UNIVERSITY.** The sum of
20 \$750,000, or so much of the sum as may be necessary, included in the capital assets line item
21 in subdivision 1 of section 3 of this Act, may be used for the development of a master capital
22 plan and for deferred maintenance projects at Mayville state university as approved by the
23 board.

24 **SECTION 9. STUDENT LOAN TRUST FUND.** Section 3 of this Act includes the sum
25 of \$523,380, or so much of the sum as may be necessary, from the student loan trust fund for
26 the professional student exchange program, for the biennium beginning July 1, 2007, and
27 ending June 30, 2009.

28 **SECTION 10. PERMANENT OIL TAX TRUST FUND.** Section 3 of this Act includes
29 the sum of \$7,783,315, or so much of the sum as may be necessary, from the permanent oil
30 tax trust fund of which \$2,773,800 is for northern tier network infrastructure, \$4,109,515 is for
31 streamline projects at the state college of science, Valley City state university, and Minot state

1 university - Bottineau, and \$900,000 is for the service rig program at Williston state college, for
2 the biennium beginning July 1, 2007, and ending June 30, 2009.

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 2007, and ending June 30, 2009. All additional funds received under the North
8 Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and
9 ending June 30, 2009, are appropriated to the state board of higher education for
10 reimbursement to institutions under the control of the board.

11 **SECTION 12. TRANSFER AUTHORITY.** If, during the biennium beginning July 1,
12 2007, and ending June 30, 2009, the state board of higher education determines that funds
13 allocated to campus operations in section 3 of this Act are needed for capital projects or
14 extraordinary repairs, the board may transfer funds from operations to capital assets. The
15 board shall report any transfer of funds under this section to the office of management and
16 budget.

17 **SECTION 13. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The state
18 board of higher education is authorized to adjust full-time equivalent positions as needed,
19 subject to the availability of funds, for institutions and entities under its control. The university
20 system shall report any adjustments to the office of management and budget before the
21 submission of the 2009-11 biennium budget request.

22 **SECTION 14. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for
23 education incentive programs in subdivision 1 of section 3 of this Act may be allocated to
24 education incentive programs as determined by the state board of higher education, including
25 the reduction or elimination of specific programs, and the state board of higher education may
26 determine the appropriate number of years of program eligibility for each education incentive
27 program.

28 **SECTION 15. BISMARCK STATE COLLEGE NATIONAL ENERGY CENTER OF**
29 **EXCELLENCE BUILDING.** The state board of higher education may enter into an agreement
30 or agreements with the Bismarck state college foundation or other private entity and do all
31 things necessary and proper to authorize construction by the foundation or other private entity

1 of a national energy center of excellence building on the Bismarck state college campus using
2 state funds, federal funds, donations, gifts, or other private funds.

3 **SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES -**

4 **APPROPRIATION.** The state board of higher education, in accordance with chapter 15-55,
5 may arrange for the funding of projects authorized in this section, declared to be in the public
6 interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under
7 chapter 15-55, beginning with the effective date of this Act and ending June 30, 2009.
8 Evidences of indebtedness issued pursuant to this section are not a general obligation of the
9 state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences
10 of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness.
11 The evidences of indebtedness may be issued and the proceeds are appropriated, for the
12 biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the
13 following capital projects:

14 University of North Dakota - Wilkerson dining center	\$4,000,000
15 North Dakota state university - Living learning center west and Ceres hall	12,000,000
16 North Dakota state college of science - Robertson hall	6,000,000
17 North Dakota state college of science - Parking lot	<u>714,000</u>
18 Total special funds appropriation	\$22,714,000

19 **SECTION 17. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**

20 **MEASURES.** It is the intent of the legislative assembly that the state board of higher
21 education's performance and accountability report as required by section 15-10-14.2 include an
22 executive summary and information regarding:

- 23 1. Education excellence, including:
- 24 a. Student performance on nationally recognized examinations in their major
 - 25 fields compared to the national averages.
 - 26 b. First-time licensure pass rates compared to other states.
 - 27 c. Alumni-reported and student-reported satisfaction with preparation in selected
 - 28 major, acquisition of specific skills, and technology knowledge and abilities.
 - 29 d. Employer-reported satisfaction with preparation of recently hired graduates.
 - 30 e. Biennial report on employee satisfaction relating to the university system and
 - 31 local institutions.

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

29 **SECTION 18. TUITION RATE INCREASES - LIMIT - BUDGET SECTION**

30 **APPROVAL.** Notwithstanding any other provision of law, the state board of higher education
31 shall limit any annual tuition increase for students attending institutions under its control for the

1 2007-08 and 2008-09 academic years to not more than five percent for each year unless the
2 board receives prior budget section approval.

3 **SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
4 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total appropriation in section 3 of this
5 Act includes \$28,382,068 from the general fund and \$7,583,315 from the permanent oil tax
6 trust fund for one-time funding items identified in this section. This amount is not part of the
7 institutions' base budgets to be used in preparing the 2009-11 executive budget. The North
8 Dakota university system shall report to the appropriations committees of the sixty-first
9 legislative assembly on the use of this one-time funding for the biennium beginning July 1,
10 2007, and ending June 30, 2009.

11 Northern tier network infrastructure from permanent oil tax trust fund	\$2,773,800
12 ConnectND system support	2,300,000
13 Common information system pool parity funding	420,000
14 Deferred maintenance	10,893,033
15 Capital projects	13,808,235
16 Capital projects from permanent oil tax trust fund	4,809,515
17 Campus initiatives	<u>960,800</u>
18 Total	\$35,965,383

19 **SECTION 20. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS.**

20 The state board of higher education shall use \$200,000 of the North Dakota university system
21 office unspent 2005-07 general fund appropriation authorized to continue under section
22 54-44.1-11 for completing and furnishing the thatcher hall renovation and addition at Minot
23 state university - Bottineau for the biennium beginning July 1, 2007, and ending June 30, 2009.

24 **SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent
25 of the sixtieth legislative assembly that higher education institutions utilizing the northern tier
26 network be responsible for funding the related ongoing maintenance costs for the network.

27 **SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS**
28 **BUILDING.** The state board of higher education may enter an agreement or agreements with
29 the North Dakota state university foundation or other private entity and do all things necessary
30 and proper to authorize construction by the foundation or other private entity of a college of

1 business building off the North Dakota state university campus, using donations, gifts, or other
2 private funds.

3 **SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.**

- 4 1. The legislative council shall consider appointing a higher education committee for
5 the 2007-08 interim. If appointed, the committee shall spend a majority of time
6 studying the means by which the North Dakota university system can further
7 contribute to developing and attracting the human capital to meet North Dakota's
8 economic and workforce needs, and if time allows, the committee may visit select
9 higher education institutions.
- 10 2. The study must focus on ways to increase postsecondary access, improve the
11 quality of education, contain costs and other means, including productivity, to
12 maximize the usage of the North Dakota university system in meeting the human
13 capital needs of the state.
- 14 3. The study must include a review of policy recommendations, as appropriate, which
15 address the postsecondary delivery system, including the mix of institutions,
16 educational attainment gaps, degree production gaps, recruitment and retention of
17 students, and workforce training needs.
- 18 4. The study must include a review of the impact of the state's changing
19 demographics on the university system long-term financing plan.
- 20 5. The study must recommend goals for each of the higher education cornerstones.
- 21 6. The study may include the use of a higher education roundtable format.
- 22 7. The legislative council shall report its findings and recommendations, together with
23 any legislation required to implement the recommendations, to the sixty-first
24 legislative assembly.
- 25 8. The state board of higher education also shall take the recommendations into
26 account and make appropriate changes to practices, board policy, and budget
27 needs and allocation.

28 **SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT**

29 **EXCHANGE PROGRAMS.** The legislative council shall consider studying, during the 2007-08
30 interim, higher education professional student exchange programs. The study should include
31 review of:

- 1 1. The amount of annual tuition and fees paid by students for health care-related
2 professional education programs.
- 3 2. The amount of annual support fees paid by the state for health care-related
4 professional education programs.
- 5 3. The number of state-supported slots funded and demand for state-supported slots,
6 including the consideration of basing the number of slots on the estimated
7 workforce needs to fill positions due to retirements, geographic, and professional
8 specific service needs.
- 9 4. The present repayment provisions and loan forgiveness programs to determine
10 cost-effectiveness, equality issues, and development of program enhancements
11 that would aid in the recruitment of professional students to return to the state to
12 practice their chosen profession.
- 13 5. Discontinuation of the contracts with the western interstate commission on higher
14 education for access to veterinary medicine programs and consideration of
15 negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.
16 The legislative council shall report its findings and recommendations, together with any
17 legislation required to implement the recommendations, to the sixty-first legislative
18 assembly.

19 **SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER.** It
20 is the intent of the sixtieth legislative assembly that the university of North Dakota school of
21 medicine and health sciences may construct, renovate, remodel, purchase, or lease a building
22 for the Bismarck family practice center.

23 **SECTION 26. AMENDMENT.** Section 15-10-43 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15-10-43. Veterinary medical education program - Kansas state university -**
26 **Contract.**

- 27 1. In addition to any contracts under section 15-10-28.2, the state board of higher
28 education may contract with Kansas state university to provide an opportunity for
29 up to five eligible students to enroll in the veterinary medical education program at
30 Kansas state university.

- 1 2. Eligible students must be residents of this state and must have been selected for
2 enrollment by an admissions committee consisting of one faculty member from the
3 department of veterinary and microbiological sciences at North Dakota state
4 university, one veterinarian practicing in this state, one member of the legislative
5 assembly, and one livestock producer, all of whom must be appointed by the
6 legislative council, and the chairman of the admissions committee at the Kansas
7 state university school of veterinary medicine. The legislative council and the
8 chairman of the admissions committee at the Kansas state university school of
9 veterinary medicine may select an alternative for each of the designated positions
10 to serve as necessary.
- 11 3. The admissions committee shall determine the criteria to be used in the selection
12 of eligible students, with eligible students interested in large animal veterinary
13 medicine receiving a priority.
- 14 4. As a condition of selection under this program, an eligible student shall agree to
15 practice veterinary medicine in this state for a period of three years upon
16 graduation. If a student fails to fulfill the commitment for practice in this state, the
17 student shall repay to the state board of higher education all moneys forwarded to
18 or for the student under this Act, on a proportionate basis.

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28 enrollment by an admissions committee consisting of one faculty member from the
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30 university, one veterinarian practicing in this state, one member of the legislative
31 assembly, and one livestock producer, all of whom must be appointed by the

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10 ~~or for the student under this Act, on a proportionate basis.~~

11 **SECTION 28. REPEAL.** Section 15-12-27 of the North Dakota Century Code is
12 repealed.

13 **SECTION 29. RETROACTIVE APPLICATION.** Section 27 of this Act applies
14 retroactively to students participating in the Kansas state university veterinary medicine
15 program.

16 **SECTION 30. EMERGENCY.** The capital assets and professional student exchange
17 program line items contained in section 3 of this Act and sections 4, 8, 15, 16, and 22 of this
18 Act are declared to be an emergency measure.