

17.0511.04000

Sixty-fifth
Legislative Assembly
of North Dakota

**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 section to chapter 15-10 of the North Dakota
3 Century Code, relating to approval of capital projects requested by institutions under the control
4 of the state board of higher education; and to amend and reenact sections 15-10-48, 15-10-49,
5 15-18.2-05, 54-10-22.1, and 54-44.1-11 of the North Dakota Century Code, relating to matching
6 grants for institutions under the control of the state board of higher education, state aid to
7 institutions, protecting donor records from audits of university and college foundations and the
8 cancellation of unexpended appropriations; to repeal chapter 15-10.2 of the North Dakota
9 Century Code, relating to the midwestern higher education compact; to provide for the transfer
10 of funds; to authorize the state board of higher education to issue and sell bonds for capital
11 projects; to provide an exemption; to authorize the conveyance of real property owned by the
12 state of North Dakota; to provide for legislative management reports; to provide legislative
13 intent; and to declare an emergency.

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

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
16 as may be necessary, are appropriated out of any moneys in the general fund in the state
17 treasury, not otherwise appropriated, and from special funds derived from federal funds and
18 other income, to the state board of higher education and to the entities and institutions under
19 the supervision of the board, for the purpose of defraying the expenses of the state board of
20 higher education and the entities and institutions under the control of the board, for the
21 biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

22 Subdivision 1.

23 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Capital assets - bond payments	(\$296,135)	\$6,605,326
4	Competitive research programs	(560,475)	6,027,750
5	System governance	1,180,602	8,393,238
6	Title II	0	1,006,472
7	Core technology services	20,201,754	61,527,347
8	Student financial assistance grants	(1,968,854)	21,917,306
9	Professional student exchange program	(242,412)	3,699,342
10	Academic and technical education	(1,117,347)	12,016,749
11	scholarship		
12	Two-year campus marketing	(290,100)	457,500
13	Scholars program	(306,469)	1,807,115
14	Native American scholarship	(93,944)	555,323
15	Tribally controlled community college grants	(367,250)	600,000
16	Education incentive programs	(485,607)	2,863,393
17	Student mental health	(23,700)	284,400
18	Veterans' assistance grants	(47,125)	277,875
19	Commendation grants	(4,486)	0
20	Internal audit pool	(280,350)	0
21	Shared campus services	500,000	500,000
22	Two-year campus study	<u>40,000</u>	<u>40,000</u>
23	Total all funds	\$15,838,102	\$128,579,136
24	Less estimated income	<u>23,700,890</u>	<u>26,212,106</u>
25	Total general fund	(\$7,862,788)	\$102,367,030
26	Full-time equivalent positions	45.01	149.40

Subdivision 2.

BISMARCK STATE COLLEGE

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29			
30			
31	Operations	\$67,456,030	\$101,670,034

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1	Capital assets	<u>67,732</u>	<u>1,854,829</u>	<u>1,922,561</u>
2	Total all funds	\$34,281,736	\$69,310,859	\$103,592,595
3	Less estimated income	<u>0</u>	<u>72,991,998</u>	<u>72,991,998</u>
4	Total general fund	\$34,281,736	(\$3,681,139)	\$30,600,597
5	Full-time equivalent positions	133.53	224.82	358.35

6 Subdivision 3.

7 LAKE REGION STATE COLLEGE

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Operations	\$14,143,353	\$22,305,695	\$36,449,048
11	Capital assets	<u>0</u>	<u>362,667</u>	<u>362,667</u>
12	Total all funds	\$14,143,353	\$22,668,362	\$36,811,715
13	Less estimated income	<u>0</u>	<u>24,111,092</u>	<u>24,111,092</u>
14	Total general fund	\$14,143,353	(\$1,442,730)	\$12,700,623
15	Full-time equivalent positions	50.19	79.42	129.61

16 Subdivision 4.

17 WILLISTON STATE COLLEGE

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Operations	\$9,191,151	\$17,762,982	\$26,954,133
21	Capital assets	<u>197,801</u>	<u>1,064,167</u>	<u>1,261,968</u>
22	Total all funds	\$9,388,952	\$18,827,149	\$28,216,101
23	Less estimated income	<u>0</u>	<u>19,855,598</u>	<u>19,855,598</u>
24	Total general fund	\$9,388,952	(\$1,028,449)	\$8,360,503
25	Full-time equivalent positions	49.96	50.79	100.75

26 Subdivision 5.

27 UNIVERSITY OF NORTH DAKOTA

28			Adjustments or	
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Operations	\$146,572,961	\$711,098,824	\$857,671,785
31	Capital assets	<u>4,411,566</u>	<u>91,000,000</u>	<u>95,411,566</u>

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1	Total all funds	\$150,984,527	\$802,098,824	\$953,083,351
2	Less estimated income	<u>0</u>	<u>819,870,450</u>	<u>819,870,450</u>
3	Total general fund	\$150,984,527	(\$17,771,626)	\$133,212,901
4	Full-time equivalent positions	630.20	1,587.87	2,218.07

5 Subdivision 6.

6 NORTH DAKOTA STATE UNIVERSITY

7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Operations	\$144,323,680	\$584,579,587	\$728,903,267
10	Capital assets	<u>2,732,244</u>	<u>82,571,860</u>	<u>85,304,104</u>
11	Total all funds	\$147,055,924	\$667,151,447	\$814,207,371
12	Less estimated income	<u>0</u>	<u>689,386,329</u>	<u>689,386,329</u>
13	Total general fund	\$147,055,924	(\$22,234,882)	\$124,821,042
14	Full-time equivalent positions	537.10	1,358.56	1,895.66

15 Subdivision 7.

16 NORTH DAKOTA STATE COLLEGE OF SCIENCE

17			Adjustments or	
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Operations	\$40,916,239	\$50,386,085	\$91,302,324
20	Capital assets	<u>0</u>	<u>1,012,379</u>	<u>1,012,379</u>
21	Total all funds	\$40,916,239	\$51,398,464	\$92,314,703
22	Less estimated income	<u>0</u>	<u>57,605,613</u>	<u>57,605,613</u>
23	Total general fund	\$40,916,239	(\$6,207,149)	\$34,709,090
24	Full-time equivalent positions	168.30	176.74	345.04

25 Subdivision 8.

26 DICKINSON STATE UNIVERSITY

27			Adjustments or	
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Operations	\$24,527,233	\$22,500,073	\$47,027,306
30	Capital assets	<u>0</u>	<u>409,078</u>	<u>409,078</u>
31	Total all funds	\$24,527,233	\$22,909,151	\$47,436,384

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1	Less estimated income	<u>0</u>	<u>29,737,827</u>	<u>29,737,827</u>
2	Total general fund	\$24,527,233	(\$6,828,676)	\$17,698,557
3	Full-time equivalent positions	120.26	48.64	168.90
4	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Operations	\$15,642,731	\$28,395,030	\$44,037,761
9	Capital assets	<u>0</u>	<u>358,992</u>	<u>358,992</u>
10	Total all funds	\$15,642,731	\$28,754,022	\$44,396,753
11	Less estimated income	<u>0</u>	<u>30,307,148</u>	<u>30,307,148</u>
12	Total general fund	\$15,642,731	(\$1,553,126)	\$14,089,605
13	Full-time equivalent positions	66.23	144.30	210.53
14	Subdivision 10.			

MINOT STATE UNIVERSITY

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Operations	\$45,037,266	\$55,564,723	\$100,601,989
19	Capital assets	<u>499,620</u>	<u>600,000</u>	<u>1,099,620</u>
20	Total all funds	\$45,536,886	\$56,164,723	\$101,701,609
21	Less estimated income	<u>0</u>	<u>62,058,916</u>	<u>62,058,916</u>
22	Total general fund	\$45,536,886	(\$5,894,193)	\$39,642,693
23	Full-time equivalent positions	204.10	237.55	441.65
24	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Operations	\$23,218,126	\$24,988,210	\$48,206,336
29	Capital assets	<u>0</u>	<u>455,823</u>	<u>455,823</u>
30	Total all funds	\$23,218,126	\$25,444,033	\$48,662,159
31	Less estimated income	<u>0</u>	<u>28,470,657</u>	<u>28,470,657</u>

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1	Total general fund	\$23,218,126	(\$3,026,624)	\$20,191,502
2	Full-time equivalent positions	105.59	97.16	202.75
3	Subdivision 12.			
4	DAKOTA COLLEGE AT BOTTINEAU			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$8,017,920	\$9,041,905	\$17,059,825
8	Capital assets	<u>86,537</u>	<u>27,470</u>	<u>114,007</u>
9	Total all funds	\$8,104,457	\$9,069,375	\$17,173,832
10	Less estimated income	<u>0</u>	<u>9,629,173</u>	<u>9,629,173</u>
11	Total general fund	\$8,104,457	(\$559,798)	\$7,544,659
12	Full-time equivalent positions	46.96	37.34	84.30
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	\$53,166,247	\$158,723,654	\$211,889,901
18	Total all funds	\$53,166,247	\$158,723,654	\$211,889,901
19	Less estimated income	<u>0</u>	<u>151,578,620</u>	<u>151,578,620</u>
20	Total general fund	\$53,166,247	\$7,145,034	\$60,311,281
21	Full-time equivalent positions	184.58	251.17	435.75
22	Subdivision 14.			
23	NORTH DAKOTA FOREST SERVICE			
24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Operations	\$6,228,620	\$8,729,827	\$14,958,447
27	Capital assets	<u>101,210</u>	<u>17,518</u>	<u>118,728</u>
28	Total all funds	\$6,329,830	\$8,747,345	\$15,077,175
29	Less estimated income	<u>1,650,000</u>	<u>9,000,748</u>	<u>10,650,748</u>
30	Total general fund	\$4,679,830	(\$253,403)	\$4,426,427
31	Full-time equivalent positions	28.96	(1.96)	27.00

1 Subdivision 15.

2 BILL TOTAL

3			Adjustments or	
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Grand total general fund	\$681,876,059	(\$71,199,549)	\$610,676,510
6	Grand total special funds	<u>4,161,216</u>	<u>2,028,305,059</u>	<u>2,032,466,275</u>
7	Grand total all funds	\$686,037,275	\$1,957,105,510	\$2,643,142,785

8 **SECTION 2. HEALTH INSURANCE INCREASE.** Section 1 of this Act includes the sum of
 9 \$17,991,140, of which \$5,638,788 is from the general fund, for increases in employee health
 10 insurance premiums from \$1,130 to \$1,241 per month.

11 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
 12 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 13 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium
 14 and the 2017-19 biennium one-time funding items included in section 1 of this Act:

15	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
16	Capital projects - general funds	\$99,167,288	\$0
17	Capital projects - other funds	44,848,194	0
18	Campus security pool	2,763,562	0
19	Core technology services projects	2,821,500	0
20	Open education resource training	107,250	0
21	Theodore Roosevelt center	800,000	0
22	Williston state college energy development impact	2,500,000	0
23	Dickinson state university leadership transition	2,000,000	0
24	Museum of art deferred maintenance	760,000	0
25	Deferred maintenance pool	8,482,500	0
26	School of medicine and health sciences residency positions	4,700,000	0
27	Health care workforce initiative	13,814,806	0
28	Desktop support services	81,750	0
29	Email retention	350,000	0
30	Dickinson state university Woods Hall renovation	11,500,000	0
31	Education challenge grants	22,124,500	0

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1	Two-year campus study	0	40,000
2	Midwestern higher education compact dues	<u>0</u>	<u>230,000</u>
3	Total all funds	\$216,821,350	\$270,000
4	Total other funds	<u>60,848,194</u>	<u>0</u>
5	Total general fund	\$155,973,156	\$270,000

6 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
7 the 2019-21 biennium. The North Dakota university system shall report to the appropriations
8 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
9 biennium July 1, 2017, and ending June 30, 2019.

10 **SECTION 4. AMENDMENT.** Section 15-10-48 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15-10-48. Advancement of academics - Matching grants - University of North Dakota**
13 **and North Dakota state university.**

- 14 1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject
15 to legislative appropriations, each biennium during the period beginning July first
16 of each odd-numbered year and ending December thirty-first of each even-
17 numbered year, the state board of higher education shall award one dollar in
18 matching grants for every two dollars raised by the institutional foundations of the
19 university of North Dakota and North Dakota state university for projects
20 dedicated exclusively to the advancement of academics.
- 21 b. To be eligible for a matching grant, an institution must demonstrate that:
22 (1) Its foundation has raised at least fifty thousand dollars in cash or monetary
23 pledges for a qualifying project; and
24 (2) The project has been approved by the grant review committee established
25 in section 15-10-51.
- 26 c. The board may award up to seven million dollars in matching grants to each
27 institution. The first two million dollars in matching grants awarded to each
28 institution must be used for student scholarships that comply with section
29 15-10-53.
- 30 2. a. If any available dollars have not been awarded by the board before January 1,
31 ~~2017~~first of each odd-numbered year, in accordance with subsection 1, either the

- 1 university of North Dakota or North Dakota state university may apply for an
2 additional matching grant.
- 3 b. An application submitted under this subsection must meet the same criteria as an
4 original application.
- 5 c. The board shall consider each application submitted under this subsection in
6 chronological order.
- 7 d. If the remaining dollars are insufficient to provide a matching grant in the amount
8 of one dollar for every two dollars raised by the institutional foundation, the board
9 shall award a lesser amount.
- 10 3. The state board of higher education shall retain up to one-quarter of one percent of
11 any grant awarded under this section to assist with administrative expenses incurred
12 in the grant review process.

13 **SECTION 5. AMENDMENT.** Section 15-10-49 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15-10-49. Advancement of academics - Matching grants - Two-year and four-year**
16 **institutions of higher education.**

- 17 1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject
18 to legislative appropriations, each biennium during the period beginning July first
19 of each odd-numbered year and ending December thirty-first of each even-
20 numbered year, the state board of higher education shall award one dollar in
21 matching grants for every two dollars raised by the institutional foundations of
22 Bismarck state college, Dakota college at Bottineau, Dickinson state university,
23 Lake Region state college, Mayville state university, Minot state university, North
24 Dakota state college of science, Valley City state university, and Williston state
25 college for projects dedicated exclusively to the advancement of academics.
- 26 b. To be eligible for a matching grant, an institution must demonstrate that:
- 27 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
28 monetary pledges for a qualifying project; and
- 29 (2) The project has been approved by the grant review committee established
30 in section 15-10-51.

- 1 c. The board may award up to one million dollars in matching grants to each
2 institution.
- 3 2. a. If any available dollars have not been awarded by the board before January 4,
4 ~~2017~~first of each odd-numbered year, in accordance with subsection 1, any
5 institution listed in subsection 1 may apply for an additional matching grant.
- 6 b. An application submitted under this subsection must meet the same criteria as an
7 original application.
- 8 c. The board shall consider each application submitted under this subsection in
9 chronological order.
- 10 d. If the remaining dollars are insufficient to provide a matching grant in the amount
11 of one dollar for every two dollars raised by the institutional foundation, the board
12 shall award a lesser amount.
- 13 3. a. The board may award an additional five hundred thousand dollars in matching
14 grants to institutions that have been awarded one million dollars in matching
15 grants under subsection 1 and apply for an additional matching grant.
- 16 b. An application submitted under this subsection must meet the same criteria as an
17 original application.
- 18 c. The board shall consider each application submitted under this subsection in
19 chronological order.
- 20 d. If the funding provided under this subsection is insufficient to provide a matching
21 grant in the amount of one dollar for every two dollars raised by the institutional
22 foundation, the board shall award a lesser amount.
- 23 4. The state board of higher education shall retain up to one-quarter of one percent of
24 any grant awarded under this section to assist with administrative expenses incurred
25 in the grant review process.

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

28 **Capital project and capital lease requests - Maintenance reserve account.**

- 29 1. An institution under the control of the state board of higher education must receive
30 approval from the legislative assembly before the construction, purchase, lease,
31 receipt, or utilization of any building or facility.

- 1 2. An institution under the control of the board must receive approval from the legislative
2 assembly before constructing an addition to or renovating a building or facility if the
3 cost of the addition or renovation exceeds seven hundred thousand dollars. This
4 subsection does not apply to projects authorized by the budget section of the
5 legislative management under section 15-10-12.1.
- 6 3. An institution under the control of the board may only seek approval from the
7 legislative assembly under subsection 1 or 2 if the building or facility conforms to a
8 campus master plan and space utilization study approved by the board.
- 9 4. An institution seeking approval under subsection 1 or 2 shall include funding for
10 maintenance reserves in its request if the estimated cost of the project, or the
11 appraised value of a building or facility being purchased or received, exceeds five
12 million dollars. The maintenance reserve funds must total at least three percent of the
13 cost of the project or the appraised value of the building or facility. If the request is
14 approved by the legislative assembly, the maintenance reserve funds must be
15 deposited in an account under the control of the state board of higher education to be
16 used only for future maintenance costs of the building or facility approved under this
17 section.

18 **SECTION 7. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **15-18.2-05. Base funding - Determination of state aid.**

21 In order to determine the state aid payment to which each institution under its control is
22 entitled, the state board of higher education shall multiply the product determined under section
23 15-18.2-04 by a base amount of:

- 24 1. ~~\$72.63~~\$58.65 in the case of North Dakota state university and the university of North
25 Dakota;
- 26 2. ~~\$107.33~~\$86.95 in the case of Dickinson state university, Mayville state university,
27 Minot state university, and Valley City state university; and
- 28 3. ~~\$114.88~~\$93.03 in the case of Bismarck state college, Dakota college at Bottineau,
29 Lake Region state college, North Dakota state college of science, and Williston state
30 college.

1 **SECTION 8. AMENDMENT.** Section 54-10-22.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-10-22.1. State auditor's access to information relating to operations of**
4 **governmental entities subject to audit.**

5 Notwithstanding any other specific sections of law, the state auditor and persons employed
6 by the state auditor, when necessary in conducting an audit, shall have access to all information
7 relating to operations of all governmental units or component units subject to audit except active
8 investigatory work product of the attorney general as defined in section 44-04-19.1 and financial
9 records and estate planning records a donor provides to a nonprofit organization affiliated with
10 an institution under the control of the state board of higher education which provides support to
11 and is organized and operated for the benefit of the institution. Except for active investigatory
12 work product of the attorney general as defined in section 44-04-19.1 and tax records as
13 described in section 54-10-24, the state auditor may inspect any state agency's books, papers,
14 accounts, or records that may be relevant to an ongoing audit of any other state agency or
15 computer system audit. The state auditor and persons employed by the state auditor examining
16 any information, which is confidential by law, shall guard the secrecy of such information except
17 when otherwise directed by judicial order or as is otherwise provided by law.

18 **SECTION 9. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-44.1-11. (Effective through July 31, 2017~~2019~~) Office of management and budget to**
21 **cancel unexpended appropriations - When they may continue.**

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

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

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

16 **(Effective after July 31, ~~2017~~2019) Office of management and budget to cancel**
17 **unexpended appropriations - When they may continue.** The office of management and
18 budget, thirty days after the close of each biennial period, shall cancel all unexpended
19 appropriations or balances of appropriations after the expiration of the biennial period during
20 which they became available under the law. Unexpended appropriations for the state historical
21 society are not subject to this section and the state historical society shall report on the amounts
22 and uses of funds carried over from one biennium to the appropriations committees of the next
23 subsequent legislative assembly. The chairmen of the appropriations committees of the senate
24 and house of representatives of the legislative assembly with the office of the budget may
25 continue appropriations or balances in force for not more than two years after the expiration of
26 the biennial period during which they became available upon recommendation of the director of
27 the budget for:

- 28 1. New construction projects.
- 29 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 10. REPEAL.** Chapter 15-10.2 of the North Dakota Century Code is repealed.

11 **SECTION 11. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**

12 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from
13 federal, private, and other sources for competitive grants or other funds that the legislative
14 assembly has not indicated the intent to reject, including tuition revenue, received by the state
15 board of higher education and the institutions and entities under the control of the state board of
16 higher education, are appropriated to the board and those institutions and entities, for the
17 biennium beginning July 1, 2017, and ending June 30, 2019. All additional funds received under
18 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2017,
19 and ending June 30, 2019, are appropriated to the state board of higher education for
20 reimbursement to institutions under the control of the board.

21 **SECTION 12. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
22 biennium beginning July 1, 2017, and ending June 30, 2019, each capital project authorized by
23 the state board of higher education must have adequate project management oversight by
24 either an institution official or a representative of an external entity. An institution may seek
25 assistance from the North Dakota university system office for project management oversight of
26 a capital project.

27 **SECTION 13. STUDENT LOAN TRUST FUND - LEGISLATIVE INTENT.** Subdivision 1 of
28 section 1 of this Act includes the sum of \$1,504,744, or so much of the sum as may be
29 necessary, from the student loan trust fund of which \$465,307 is for the professional student
30 exchange program, \$500,000 is for grants to tribally controlled community colleges, and

1 \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2017,
2 and ending June 30, 2019.

3 Subdivision 13 of section 1 of this Act includes the sum of \$11,806,856, or so much of the
4 sum as may be necessary, from the student loan trust fund for residency positions at the
5 university of North Dakota school of medicine and health sciences, for the biennium beginning
6 July 1, 2017, and ending June 30, 2019. It is the intent of the sixty-fifth legislative assembly that
7 funding for the residency positions becomes part of ongoing base funding in future budget
8 requests of the school.

9 **SECTION 14. STATEWIDE MEMBERSHIP DUES.** Subdivision 1 of section 1 of this Act
10 includes the sum of \$294,000 for membership dues for the western interstate commission for
11 higher education. Subdivision 1 of section 1 of this Act includes the sum of \$230,000 of
12 one-time funding for membership dues of the midwestern higher education compact.

13 **SECTION 15. UNIVERSITY OF NORTH DAKOTA ENERGY AND ENVIRONMENTAL**
14 **RESEARCH CENTER - PAYMENTS TO THE UNIVERSITY OF NORTH DAKOTA.** During the
15 biennium beginning July 1, 2017, and ending June 30, 2019, the university of North Dakota may
16 not enter or continue any contractual agreement with the energy and environmental research
17 center which would require the energy and environmental research center to reimburse the
18 university in an amount exceeding five hundred thousand dollars per year for facilities,
19 administrative, or other costs.

20 **SECTION 16. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**
21 Notwithstanding section 54-16-04, the state board of higher education may transfer
22 appropriation authority from the operations to the capital assets line items within subdivisions 2
23 through 14 of section 1 of this Act for the biennium beginning July 1, 2017, and ending June 30,
24 2019. The board shall report any transfer of funds under this section to the office of
25 management and budget and the legislative management.

26 **SECTION 17. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
27 any other provisions of law, the state board of higher education may adjust full-time equivalent
28 positions as needed, subject to the availability of funds, for institutions and entities under its
29 control during the biennium beginning July 1, 2017, and ending June 30, 2019. The North
30 Dakota university system shall report any adjustments to the office of management and budget
31 as part of the submission of the 2019-21 biennium budget request.

1 **SECTION 18. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**

2 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
3 includes a funding allocation from the higher education per student credit-hour funding formula
4 attributable to inflation during the biennium beginning July 1, 2017, and ending June 30, 2019.
5 Based on the recommendation of the commissioner of higher education, a portion of the
6 allocation must be transferred by the state board of higher education to the university of North
7 Dakota school of medicine and health sciences.

8 **SECTION 19. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of
9 higher education, in accordance with chapter 15-55, may arrange for the funding of projects
10 authorized in this section, declared to be in the public interest, through the issuance of self-
11 liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the
12 effective date of this section and ending June 30, 2019. Evidences of indebtedness issued
13 pursuant to this section are not a general obligation of the state of North Dakota. Any
14 unexpended balance resulting from the proceeds of the evidences of indebtedness must be
15 placed in a sinking fund to be used for the retirement of indebtedness. The evidences of
16 indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the
17 following capital projects:

18 North Dakota state university - New residence hall	\$39,505,000
19 North Dakota state university - University village replacement	<u>10,000,000</u>
20 Total special funds	\$49,505,000

21 **SECTION 20. EXEMPTION - STUDENT FINANCIAL ASSISTANCE GRANTS.** Of the
22 \$25,634,276 appropriated from the general fund in the student financial assistance grants line
23 item in subdivision 1 of section 1 of chapter 3 of the 2015 Session Laws, \$4,000,000 is not
24 subject to section 54-44.1-11 and must be canceled by the office of management and budget on
25 the effective date of this section.

26 **SECTION 21. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION**
27 **APPROVAL.**

28 1. Except as provided in this section, notwithstanding any other provision of law, the state
29 board of higher education may not increase tuition rates for resident students
30 attending institutions of higher education under its control during the 2017-18
31 academic year by more than four percent as compared to the tuition rate in effect

- 1 during the 2017 spring semester unless the board receives prior budget section
2 approval.
- 3 2. Except as provided in this section, notwithstanding any other provision of law, the state
4 board of higher education may not increase tuition rates for resident students
5 attending institutions of higher education under its control during the 2018-19
6 academic year by more than four percent as compared to the tuition rate in effect
7 during the 2018 spring semester unless the board receives prior budget section
8 approval.
- 9 3. This section does not apply to tuition rates charged for graduate level programs,
10 including programs offered through the university of North Dakota school of medicine
11 and health sciences, the university of North Dakota school of law, or the North Dakota
12 state university school of pharmacy.
- 13 4. This section does not apply to tuition rates for nonresident students attending
14 institutions of higher education under the control of the state board of higher
15 education. For purposes of this section, the residency of students for tuition purposes
16 must be determined under section 15-10-19.1.
- 17 5. This section does not apply to tuition rates determined under tuition reciprocity
18 agreements entered into by the state board of higher education with other states or
19 state education compacts.
- 20 6. For purposes of this section, an institution must calculate a resident tuition rate
21 increase based on the tuition rate paid by an average full-time resident student. The
22 state board of higher education may exclude adjustments to a tuition rate resulting
23 from a change in an institution's method of charging tuition, including the consolidation
24 of existing fees into tuition rates or charging tuition based on a per-credit rate, from
25 tuition rate calculations under this section.

26 **SECTION 22. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.**

27 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding
28 from the general fund for institution extraordinary repairs. An institution shall provide two dollars
29 of matching funds from operations or other sources for each one dollar of extraordinary repairs
30 funding used for a project.

1 **SECTION 23. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
2 through the state board of higher education, shall convey certain real property consisting of
3 approximately 0.8 acres parallel and adjacent to the BNSF railway company right-of-way in
4 Cass County, North Dakota, known as parcel number 01-3504-08500-000 in the records of
5 Cass County, North Dakota, to BNSF railway company, if determined appropriate by the state
6 board of higher education and the commissioner of university and school lands. The terms of
7 the conveyance must be determined jointly by the state board of higher education or a designee
8 of the board and the commissioner of university and school lands. North Dakota Century Code
9 sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

10 **SECTION 24. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
11 through the state board of higher education, may convey certain real property known as Dakota
12 hall or airport addition, 1015 north forty-third street, lot h, replat of lot 1 & 2, b 3 block 3 & part
13 northwest $\frac{1}{4}$ of northwest $\frac{1}{4}$ section 6-151-60 in the records of the city of Grand Forks, if
14 determined appropriate by the state board of higher education. If any of the real property
15 authorized to be conveyed under this section is conveyed, the terms of the conveyance must be
16 determined jointly by the state board of higher education or a designee of the board and the
17 commissioner of university and school lands. North Dakota Century Code sections 54-01-05.2
18 and 54-01-05.5 do not apply to the transfer authorized by this section.

19 **SECTION 25. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
20 through the state board of higher education, may convey certain real property known as Ray
21 Richard's golf course or Ray Richard's golf course addition, 3801 demers avenue, lot 1, block 1,
22 and Ray Richard's golf course addition, 3501 demers avenue, lot 2, block 1, in the records of
23 the city of Grand Forks, if determined appropriate by the state board of higher education. If any
24 of the real property authorized to be conveyed under this section is conveyed, the terms of the
25 conveyance must be determined by the state board of higher education or a designee of the
26 board. North Dakota Century Code sections 54-01-5.2 and 54-01-05.5 do not apply to the
27 transfer authorized by this section.

28 **SECTION 26. TRANSFER OF DAKOTA INSTITUTE INVENTORY.** The parks and
29 recreation department shall transfer the name Dakota institute and all rights, title, interests, and
30 copyrights and up to eighty percent of any remaining inventory of any Dakota institute
31 publication, book, or other document or production, regardless of format, to Bismarck state

1 college. Bismarck state college may transfer any rights, title, interests, copyrights, inventory of
2 any of the Dakota institute's publications, books, or other documents or productions, regardless
3 of format, to the author or producer of the document or production.

4 **SECTION 27. RESEARCH NETWORKS - REPORT TO THE LEGISLATIVE**

5 **MANAGEMENT.** During the biennium beginning July 1, 2017, and ending June 30, 2019, the
6 state board of higher education, in association with the research institutions under its control,
7 shall consider opportunities for collaboration on high-performance computing, data analytics,
8 and connectivity to Minnesota research networks to improve access, increase capacity, and
9 create efficiencies. The board may utilize appropriations and reserves designated for the
10 northern tier network to accommodate continued use of existing research networks and to
11 expand network capabilities. The board shall consider developing policies and procedures to
12 authorize private entities to utilize the research network. During the 2017-18 interim, the state
13 board of higher education shall provide a report to the legislative management regarding the
14 status of efforts to collaborate with Minnesota entities for research network purposes.

15 **SECTION 28. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE**
16 **REORGANIZATION OF TWO-YEAR INSTITUTIONS - REPORT TO SIXTY-SIXTH**

17 **LEGISLATIVE ASSEMBLY.** During the period beginning July 1, 2017, and ending
18 December 31, 2018, the state board of higher education shall study the reorganization of the
19 two-year institutions under its control into a community and technology college system that
20 addresses workforce and education needs of the state. As part of the study, the board shall
21 consider:

- 22 1. Shared administration;
- 23 2. Shared courses, including a common course catalog;
- 24 3. Articulation agreements linking elementary and secondary education, career
25 academies, and career and technical education to postsecondary certificates and
26 associate's degrees;
- 27 4. Centralized processing of student admissions, housing applications, financial aid, and
28 advising; and
- 29 5. Centralized services, including bookstore operations, food services, marketing,
30 procurement, accounting, and human resources.

1 The state board of higher education shall approve and present a plan to implement the
2 recommendations of its study to reorganize two-year institutions, including drafts of legislation
3 necessary to implement the recommendations, to the appropriations committees of the
4 sixty-sixth legislative assembly.

5 **SECTION 29. STATE BOARD OF HIGHER EDUCATION - STUDY OF NURSING**

6 **PROGRAMS - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** During the period
7 beginning July 1, 2017, and ending December 31, 2018, the state board of higher education
8 shall study the reorganization of nursing programs at institutions under its control. As part of the
9 study, the board shall review the number of institutions offering nursing programs, the level of
10 programs offered, and the locations of programs. The board shall consider options to develop
11 collaborations among institutions to offer programs in an efficient and effective manner to
12 address the workforce needs of the state.

13 The state board of higher education shall approve and present a plan to implement the
14 recommendations of its study to reorganize nursing programs, including drafts of legislation
15 necessary to implement the recommendations, to the appropriations committees of the
16 sixty-sixth legislative assembly.

17 **SECTION 30. STATE BOARD OF HIGHER EDUCATION DATA AND REPORTING**

18 **INCONSISTENCIES - REPORT TO LEGISLATIVE MANAGEMENT.** During the biennium
19 beginning July 1, 2017, and ending June 30, 2019, the state board of higher education shall
20 evaluate the following data and reporting inconsistency issues at institutions and entities under
21 its control and develop policies and procedures to correct the inconsistencies:

- 22 1. Inconsistent employee classifications and human resources reporting;
- 23 2. Inconsistent employee leave policies;
- 24 3. Inconsistent practices for awarding tuition waivers; and
- 25 4. Inconsistent practices regarding the charging of student fees.

26 The state board of higher education shall provide a report to and consult with the legislative
27 management during the 2017-18 interim regarding the status of the inconsistencies, including
28 policies and procedures being developed to address the inconsistencies.

29 **SECTION 31. REDUCTION IN EMPLOYEES - LEGISLATIVE INTENT - REPORT TO**

30 **LEGISLATIVE MANAGEMENT.** It is the intent of the sixty-fifth legislative assembly that if the
31 number of full-time equivalent positions is reduced at institutions under the control of the state

1 board of higher education, any reduction be applied among all classifications of employees with
2 emphasis on senior administrative positions. During the 2017-18 interim, the state board of
3 higher education shall provide reports to the legislative management regarding the total number
4 of employee positions reduced at each institution, the number of administrative positions
5 reduced at each institution, and whether any former administrative staff employees are still
6 employed by the institution in a different position.

7 **SECTION 32. LEGISLATIVE INTENT - NORTH DAKOTA STATE UNIVERSITY - LEASE**
8 **ARRANGEMENT AND OTHER SAVINGS.** It is the intent of the sixty-fifth legislative assembly
9 that future general fund appropriations in support of the North Dakota state university
10 department of nursing program in Bismarck be adjusted for savings resulting from facility lease
11 negotiations and for credit hours completed at the school.

12 **SECTION 33. EMERGENCY.** Section 19 and the capital assets line items in section 1 of
13 this Act are declared to be an emergency measure.