

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1031

2007 HOUSE APPROPRIATIONS

HB 1031

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1031

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January 16, 2007

Recorder Job Number: 1146

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald opened the hearing on HB1031, Budget requests and block grant appropriations for the ND University system.

Eddie Dunn representing NDUS (See attached handout1-HB 1030, p. 2). This bill provides for appropriations in two line items – operations and capital assets; and for specific strategies or initiatives for another two-year period.

Vice Chairman Monson: So the only change is to carry this to the next biennium? We've been doing the same thing for the last how many years?

Dunn: since 2001.

Chairman Wald: Any other discussion? What are the committee's wishes?

Representative Martinson: Hold this and HB 1032 for further discussion.

Chairman Wald: If there is no further discussion, we'll open the hearing on HB 1032.

Hearing continued to HB 1032

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1031

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: February 6, 2007

Recorder Job Number: 2882

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald: called the meeting to order to take up HB 1031. Are there any comments from OMB or Council?

Roxanne Woeste: 1031 is a bill that would continue provisions for two more years that relates to higher education budget requests. It includes base funding and initiative funding and an estimate for active funding components.

Vice Chairman Monson: What would be the effect if this bill is passed with no caveat about some of this money that they are asking for to be moved into their continuing appropriation or their base line?

Woeste: I don't think this bill would have anything to do with their request to move dollars from one time funding.

Representative Hawken: I would move a **DO PASS**.

Representative Gulleason: Second

Chairman Wald: Instruct the clerk to call the roll on a **DO PASS** on HB 1031.

Vote: 7 yes, 0 no, 0 Absent

Carrier: Representative Gulleason

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1031

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 2/6/07

Recorder Job Number: 2978

Committee Clerk Signature

Amya Voegelé

Minutes:

Chairman Svedjan opened the hearing on House Bill 1031.

Rep. Gulleson described the bill.

Rep. Gulleson: This bill specifically speaks to how their budget requests and their appropriation requests must come into us. It outlines the criteria and the format. They will basically be managed as a block grant that would contain a base funding component as well as an initiative funding component with specific strategies outlined. Also includes additional budget estimate for anything that would be renewal or replacement of physical plant assets for the building and so on. This is the same legislation that we do pass each year in order to manage the budgets of our universities.

Rep. Kempenich: Is this also what they have to bring in front of us when they do their overviews?

Rep. Gulleson: Yes it is.

Rep. Kempenich: Did you ever talk to them about bringing in something on their percentage of graduates vs. jobs in the state and the outcome?

Chairman Svedjan: Some of that was covered in the overview.

Rep. Kempenich: Some was but what I am driving at here is that we had a report here where they get a little more comprehensive.

Rep. Gulleson: We did not discuss including it in the language that would make that mandatory. Most of them brought us that information. What we did find is that if there were any additional information that we were interested in seeing they all brought that in consistently then when they came in for a follow up.

Chairman Svedjan: We have done this different ways in different sessions. Some of it relates to timing for us. This session we happened to get started right out of the chute. Our overviews were not as comprehensive as they were last time. Not all of the agencies gave overviews like they did two years ago. In terms of the content of those overviews we have considerable latitude with regard to what we request from them. This bill neither specifies nor denies any of that. I would say that as we approach the next session, if there are specific requests for what ought to be included in the overviews I am surly opened to that.

A motion was made by Rep. Gulleson, seconded by Rep. Wald to DO PASS House Bill 1031. The committee vote was 22 Yeas, 0 Nays, 2 Absent and Not Voting. The carrier of the bill will be Rep. Gulleson.

Date: 2/6/07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1031

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Gulleson Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	—		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	—		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 22 No 0

Absent 02

Floor Assignment Gulleson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 8, 2007 9:49 a.m.

Module No: HR-25-2494
Carrier: Guleson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1031: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO PASS
(22 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1031 was placed on the
Eleventh order on the calendar.

2007 SENATE APPROPRIATIONS

HB 1031

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1031

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02/26/07

Recorder Job Number: 3864

Committee Clerk Signature

Janet Pinks

Minutes:

Chairman Holmberg opened the hearing on HB 1031.

Chancellor Eddie Dunn, NDUS, presented written testimony describing what HB 1030, 1031, and 1032 do indicating they are very important to the operation of the University System. HB 1031 provides appropriations in two line items for operations and capital assets.

There were no questions or discussion.

Chairman Holmberg closed the hearing on HB 1031.

Senator Robinson moved a do pass on HB 1031, **Senator Wardner** seconded. There was no discussion and a roll call vote was taken resulting in 11 yes, 1 no, 2 absent. The motion carried and **Senator Holmberg** will carry the bill.

Date:
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1031

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken _____ DR

Motion Made By Robinson Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Ray Holmberg	✓		Senator Aaron Krauter		
Vice Chairman Bill Bowman	✓		Senator Elroy N. Lindaas	✓	
Vice Chairman Tony Grindberg	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓	✓	Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 11 No 1

Absent 2

Floor Assignment Holmberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 26, 2007 3:44 p.m.

Module No: SR-36-3933
Carrier: Holmberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1031: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(11 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1031 was placed on the
Fourteenth order on the calendar.

2007 TESTIMONY

HB 1031

Testimony to Senate Appropriations Committee on HB1030, 1031, and 1032

by Chancellor Eddie Dunn
North Dakota University System

February 26, 2007

Chairman Holmberg and members of the Senate Appropriations Committee. For the record, I am Eddie Dunn, Chancellor of the North Dakota University System.

The University System appreciates the opportunity to appear before you today in support of HB 1030, 1031 and 1032. These three bills are part of the "flexibility with accountability legislation" and are very important to the colleges and universities. They continue the "flexibility with accountability legislation" for another two-year period through June 30, 2009. These measures were first implemented in the 2001 session, based on the recommendations of the Roundtable on Higher Education, and have been re-enacted each session since that time. As I am certain, you will hear from all of the institutions that testify before you this week, this legislation has been extremely important and a major factor in the successes they are having regarding enhancing the economy and in academic achievements.

What Do These Bills Do?

HB1030: Under this bill, tuition revenues at NDUS campuses would be appropriated in the same way all other institutional funds such as grants and contracts, auxiliary revenues and private funds are appropriated for another two-year period, through June 30, 2009.

All income, including tuition revenues, would continue to be deposited with the Bank of North Dakota. All income would also continue to be disclosed as part of the biennial budget process as required on page 2, lines 1-4 of HB1030 as follows:

"Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the office of the budget."

All NDUS income would also continue to be subject to an annual financial audit performed by the State Auditor's Office and would be disclosed, in detail, in the NDUS's and state's annual comprehensive financial statement (CAFR).

HB1031: This bill provides for appropriations in two line items for operations and capital assets; and for specific strategies or initiatives for another two-year period, through June.30, 2009.

The bill continues the current 2005-07 appropriation bill format of two line items- Operations and Capital Assets. Funds can either be appropriated by campus as was done in 2005-07, or, in a block grant to the SBHE for allocation to the campuses. That decision is still left to each legislature. The main purpose of the bill provides that appropriations will be made in two line items either to the campus or board. It also provides that appropriations be made for initiative funding. HB1003, section 12 permits the SBHE to transfer funds from operations to capital assets as needed; however, transfers from capital assets to operations is not permitted.

HB1032: Permits the carryover of unexpended funds from one biennium to the next. The bill requires the NDUS to report carryover amounts from one biennium to the next to the appropriations committee. Each campus provided this information, as it relates to carryover amounts from the 2003-05 biennium to the 2005-07 biennium, as part of their budget presentation.

Some of the benefits of these three bills are:

- Campuses that have growing enrollments are able to hire faculty and add class sections on a timely and responsive basis since tuition revenues are available immediately rather than waiting for lengthy approval processes.
- Campuses are better able to manage spending priorities and allocate resources to high priority needs, without burdensome approval processes.
- The campuses are using the carryover funds to leverage and attract more non-state revenue sources from federal grants and private partnerships.
- Campuses are better able to respond to donors and proceed with timely (and often less costly) construction.
- Campuses are leveraging these funds and developing many more private sector partnerships through entities such as research and technology parks.
- Campuses are better able to maximize their revenues and manage their enrollment targets.
- Significant staff time is being saved in development of biennial budgets, but comprehensive annual budgets are prepared.
- Permits campuses to plan and adjust expenditures between biennia to maximize resources and benefits.

Taken together, the increased flexibility provided by these three bills, is seen as a visible sign of support for campuses to be more entrepreneurial while also being accountable. I believe the evidence that will be provided to you by each college and university throughout this week will demonstrate the significant benefits that have resulted from this legislation over the past several years.

Thank you. I will be happy to answer any questions.