

**Sixtieth Legislative Assembly of North Dakota
In Regular Session Commencing Wednesday, January 3, 2007**

HOUSE BILL NO. 1003
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to limit student tuition rates; to provide for a legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to repeal section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund; to provide for retroactive application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Capital assets	\$14,278,141
Competitive research	5,190,000
Board initiatives	1,885,000
System governance	5,568,422
Title II	695,600
Common information services	20,563,093
Operations pool	388,559
Equity pool	2,000,000
Contingency and capital emergency	436,923
Professional liability insurance	1,350,000
Student financial assistance grants	3,504,402
Professional student exchange program	2,127,280
Scholars program	862,077
Native American scholarships	251,988
Education incentive programs	<u>1,227,902</u>
Total all funds - Base level	\$60,329,387
Less estimated income - Base level	<u>2,599,776</u>
Total general fund - Base level	\$57,729,611

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$16,865,548
Capital assets	<u>3,988,781</u>
Total all funds - Base level	\$20,854,329
Less estimated income - Base level	<u>3,745,300</u>
Total general fund appropriation - Base level	\$17,109,029

Subdivision 3.	LAKE REGION STATE COLLEGE	
Operations		\$5,389,989
Capital assets		<u>387,537</u>
Total general fund appropriation - Base level		\$5,777,526
Subdivision 4.	WILLISTON STATE COLLEGE	
Operations		\$5,752,997
Capital assets		<u>8,136,475</u>
Total all funds - Base level		\$13,889,472
Less estimated income - Base level		<u>7,960,000</u>
Total general fund appropriation - Base level		\$5,929,472
Subdivision 5.	UNIVERSITY OF NORTH DAKOTA	
Operations		\$92,551,602
Capital assets		<u>100,132,099</u>
Total all funds - Base level		\$192,683,701
Less estimated income - Base level		<u>97,831,554</u>
Total general fund appropriation - Base level		\$94,852,147
Subdivision 6.	NORTH DAKOTA STATE UNIVERSITY	
Operations		\$75,804,650
Capital assets		<u>39,192,226</u>
Total all funds - Base level		\$114,996,876
Less estimated income - Base level		<u>37,500,000</u>
Total general fund appropriation - Base level		\$77,496,876
Subdivision 7.	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
Operations		\$24,986,828
Capital assets		<u>3,558,252</u>
Total all funds - Base level		\$28,545,080
Less estimated income - Base level		<u>2,804,920</u>
Total general fund appropriation - Base level		\$25,740,160
Subdivision 8.	DICKINSON STATE UNIVERSITY	
Operations		\$14,711,627
Capital assets		<u>9,484,247</u>
Total all funds - Base level		\$24,195,874
Less estimated income - Base level		<u>9,100,557</u>
Total general fund appropriation - Base level		\$15,095,317
Subdivision 9.	MAYVILLE STATE UNIVERSITY	
Operations		\$9,003,630
Capital assets		<u>1,858,994</u>
Total all funds - Base level		\$10,862,624
Less estimated income - Base level		<u>1,500,000</u>
Total general fund appropriation - Base level		\$9,362,624

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$27,215,849
Capital assets	<u>9,211,870</u>
Total all funds - Base level	\$36,427,719
Less estimated income - Base level	<u>8,535,000</u>
Total general fund appropriation - Base level	\$27,892,719

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$11,806,526
Capital assets	<u>508,416</u>
Total general fund appropriation - Base level	\$12,314,942

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,334,460
Capital assets	<u>6,109,725</u>
Total all funds - Base level	\$10,444,185
Less estimated income - Base level	<u>6,000,000</u>
Total general fund appropriation - Base level	\$4,444,185

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

Operations	<u>\$31,361,002</u>
Total general fund appropriation - Base level	\$31,361,002

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$2,925,646
Capital assets	<u>101,638</u>
Total all funds - Base level	\$3,027,284
Less estimated income - Base level	<u>975,001</u>
Total general fund appropriation - Base level	\$2,052,283
Total general fund appropriation - Section 1	\$387,157,893
Total estimated income appropriation - Section 1	\$178,552,108
Total all funds appropriation - Section 1	\$565,710,001

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

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666

Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	<u>512,412</u>
Total all funds - Adjustments/enhancements	\$13,689,261
Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
Total general fund - Adjustments/enhancements	\$10,871,507

Subdivision 2.

BISMARCK STATE COLLEGE

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

Subdivision 3.

LAKE REGION STATE COLLEGE

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

Subdivision 4.

WILLISTON STATE COLLEGE

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

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

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

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$13,788,980
Capital assets	<u>4,016,935</u>
Total all funds - Adjustments/enhancements	\$17,805,915
Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
Total general fund - Adjustments/enhancements	\$20,805,915

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$2,753,540
Capital assets	<u>1,198,613</u>
Total all funds - Adjustments/enhancements	\$3,952,153
Less estimated income - Adjustments/enhancements	<u>565,500</u>
Total general fund - Adjustments/enhancements	\$3,386,653

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$2,144,483
Capital assets	<u>(465,484)</u>
Total all funds - Adjustments/enhancements	\$1,678,999
Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
Total general fund - Adjustments/enhancements	\$2,779,556

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$1,111,435
Capital assets	<u>130,969</u>
Total all funds - Adjustments/enhancements	\$1,242,404
Less estimated income - Adjustments/enhancements	<u>(600,000)</u>
Total general fund - Adjustments/enhancements	\$1,842,404

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$2,879,273
Capital assets	<u>367,024</u>
Total all funds - Adjustments/enhancements	\$3,246,297
Less estimated income - Adjustments/enhancements	<u>(7,128,385)</u>
Total general fund - Adjustments/enhancements	\$10,374,682

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

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

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$425,088
Capital assets	<u>(5,699,023)</u>
Total all funds - Adjustments/enhancements	(\$5,273,935)
Less estimated income - Adjustments/enhancements	<u>(5,748,000)</u>
Total general fund - Adjustments/enhancements	\$474,065

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	\$3,127,499
Total general fund - Adjustments/enhancements	\$3,127,499

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$427,182
Capital assets	<u>78,566</u>
Total all funds - Adjustments/enhancements	\$505,748
Less estimated income - Adjustments/enhancements	<u>22,485</u>
Total general fund - Adjustments/enhancements	\$483,263
Total general fund - Section 2	\$81,141,731
Total estimated income - Section 2	<u>(\$36,546,407)</u>
Total all funds - Section 2	\$44,595,324

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota university system office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

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

Subdivision 2.

BISMARCK STATE COLLEGE

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

Subdivision 3.

LAKE REGION STATE COLLEGE

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

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$6,622,504
Capital assets	<u>2,257,198</u>
Total all funds	\$8,879,702
Less estimated income	<u>2,300,000</u>
Total general fund appropriation	\$6,579,702

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$107,011,830
Capital assets	<u>81,828,875</u>
Total all funds	\$188,840,705
Less estimated income	<u>73,920,000</u>
Total general fund appropriation	\$114,920,705

Subdivision 6.	NORTH DAKOTA STATE UNIVERSITY	
Operations		\$89,593,630
Capital assets		<u>43,209,161</u>
Total all funds		\$132,802,791
Less estimated income		<u>34,500,000</u>
Total general fund appropriation		\$98,302,791
Subdivision 7.	NORTH DAKOTA STATE COLLEGE OF SCIENCE	
Operations		\$27,740,368
Capital assets		<u>4,756,865</u>
Total all funds		\$32,497,233
Less estimated income		<u>3,370,420</u>
Total general fund appropriation		\$29,126,813
Subdivision 8.	DICKINSON STATE UNIVERSITY	
Operations		\$16,856,110
Capital assets		<u>9,018,763</u>
Total all funds		\$25,874,873
Less estimated income		<u>8,000,000</u>
Total general fund appropriation		\$17,874,873
Subdivision 9.	MAYVILLE STATE UNIVERSITY	
Operations		\$10,115,065
Capital assets		<u>1,989,963</u>
Total all funds		\$12,105,028
Less estimated income		<u>900,000</u>
Total general fund appropriation		\$11,205,028
Subdivision 10.	MINOT STATE UNIVERSITY	
Operations		\$30,095,122
Capital assets		<u>9,578,894</u>
Total all funds		\$39,674,016
Less estimated income		<u>1,406,615</u>
Total general fund appropriation		\$38,267,401
Subdivision 11.	VALLEY CITY STATE UNIVERSITY	
Operations		\$13,350,137
Capital assets		<u>2,996,235</u>
Total all funds		\$16,346,372
Less estimated income		<u>2,200,000</u>
Total general fund appropriation		\$14,146,372
Subdivision 12.	MINOT STATE UNIVERSITY - BOTTINEAU	
Operations		\$4,759,548
Capital assets		<u>410,702</u>
Total all funds		\$5,170,250
Less estimated income		<u>252,000</u>
Total general fund appropriation		\$4,918,250

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

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

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

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

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

SECTION 5. BOARD INITIATIVES - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. The board initiatives line item in subdivision 1 of section 3 of this Act includes the sum of \$300,000 for a grant to the space grant consortium to match federal funds and the sum of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly.

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

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

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

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

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

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

SECTION 11. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 3 of this Act, from federal, private, and other sources, received by the institutions and entities under the control of the state board of higher education are appropriated to those institutions and entities, for the biennium beginning July 1, 2007, and ending June 30, 2009. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and ending June 30, 2009, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

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

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

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

SECTION 15. BISMARCK STATE COLLEGE NATIONAL ENERGY CENTER OF EXCELLENCE BUILDING. The state board of higher education may enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a national energy center of excellence building on the Bismarck state college campus using state funds, federal funds, donations, gifts, or other private funds.

SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2009. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated, for the biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the following capital projects:

University of North Dakota - Wilkerson dining center	\$4,000,000
North Dakota state university - Living learning center west and Ceres hall	12,000,000
North Dakota state college of science - Robertson hall	6,000,000
North Dakota state college of science - Parking lot	714,000
Total special funds appropriation	\$22,714,000

SECTION 17. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY MEASURES. It is the intent of the legislative assembly that the state board of higher education's

performance and accountability report as required by section 15-10-14.2 include an executive summary and information regarding:

1. Education excellence, including:
 - a. Student performance on nationally recognized examinations in their major fields compared to the national averages.
 - b. First-time licensure pass rates compared to other states.
 - c. Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities.
 - d. Employer-reported satisfaction with preparation of recently hired graduates.
 - e. Biennial report on employee satisfaction relating to the university system and local institutions.
 - f. Student graduation and retention rates.
2. Economic development, including:
 - a. Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs.
 - b. Percentage of university system graduates obtaining employment appropriate to their education in the state.
 - c. Number of businesses and employees in the region receiving training.
3. Student access, including number and proportion of enrollments in courses offered by nontraditional methods.
4. Student affordability, including:
 - a. Tuition and fees on a per student basis compared to the regional average.
 - b. Tuition and fees as a percentage of median North Dakota household income.
 - c. Cost per student in terms of general fund appropriations and total university system funding.
 - d. Per capita general fund appropriations for higher education.
 - e. State general fund appropriation levels for university system institutions compared to peer institutions general fund appropriation levels.
5. Financial operations, including:
 - a. Cost per student and percentage distribution by major function.
 - b. Ratio measuring the funding derived from operating and contributed income compared to total university system funding.
 - c. Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt.
 - d. Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity.

- e. Ratio measuring the amount of expendable fund balances divided by total expenditures and mandatory transfers.
- f. Ratio measuring net total revenues divided by total current revenues.

SECTION 18. TUITION RATE INCREASES - LIMIT - BUDGET SECTION APPROVAL.

Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under its control for the 2007-08 and 2008-09 academic years to not more than five percent for each year unless the board receives prior budget section approval.

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

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

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

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

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.
2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.
3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational

attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.
5. The study must recommend goals for each of the higher education cornerstones.
6. The study may include the use of a higher education roundtable format.
7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.
8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.
2. The amount of annual support fees paid by the state for health care-related professional education programs.
3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.
4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.
5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

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

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

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.
2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the

department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary medicine may select an alternative for each of the designated positions to serve as necessary.

3. The admissions committee shall determine the criteria to be used in the selection of eligible students, with eligible students interested in large animal veterinary medicine receiving a priority.
4. As a condition of selection under this program, an eligible student shall agree to practice veterinary medicine in this state for a period of three years upon graduation. If a student fails to fulfill the commitment for practice in this state, the student shall repay to the state board of higher education all moneys forwarded to or for the student under this Act, on a proportionate basis.

SECTION 27. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.
2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.
3. The admissions committee shall determine the criteria to be used in the selection of eligible students, with eligible students interested in large animal veterinary medicine receiving a priority.
4. ~~As a condition of selection under this program, an eligible student shall agree to practice veterinary medicine in this state for a period of three years upon graduation. If a student fails to fulfill the commitment for practice in this state, the student shall repay to the state board of higher education all moneys forwarded to or for the student under this Act, on a proportionate basis.~~

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

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

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

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1003 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 82 Nays 11 Absent 1

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2007.

Approved at _____ M. on _____, 2007.

Governor

Filed in this office this _____ day of _____, 2007,
at _____ o'clock _____ M.

Secretary of State