

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1003

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 chapter to title 15 and ~~three new subsections to~~
3 ~~section 15-10-63~~sections 15-10-48.1 and 15-18.2-04.1 of the North Dakota Century Code,
4 relating to the midwestern higher education compact ~~and capital project authorization, matching~~
5 grants for the university of North Dakota school of law, and a cost of living factor for state aid to
6 institutions; to amend and reenact sections 15-10-48, 15-10-49, 15-10-50, 15-18.2-02,
7 15-18.2-05, 15-62.4-03, and 54-44.1-11 of the North Dakota Century Code, relating to matching
8 grants for institutions under the control of the state board of higher education, state aid to
9 institutions, the student financial assistance grant program, and the cancellation of unexpended
10 appropriations; to repeal section 15-10-61 of the North Dakota Century Code, relating to the
11 dual-credit instructor assistance program; to authorize the industrial commission to issue and
12 sell evidences of indebtedness for capital projects; to authorize the state board of higher
13 education to issue and sell bonds for capital projects; to provide for a transfer; to provide for the
14 conveyance of real property; to provide for report; and to declare an emergency.

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

16 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
17 as may be necessary, are appropriated out of any moneys in the general fund in the state
18 treasury, not otherwise appropriated, and from special funds derived from federal funds and
19 other income, to the state board of higher education and to the entities and institutions under
20 the supervision of the board, for the purpose of defraying the expenses of the state board of
21 higher education and the entities and institutions under the control of the board, for the
22 biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

23 Subdivision 1.

24 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	\$6,605,326	(\$1,645,878)	\$4,959,448
4	Competitive research programs	6,027,750	0	6,027,750
5	System governance	8,163,238	280,095	8,443,333
6	Title II	1,006,472	(1,006,472)	0
7	Core technology services	61,527,347	663,122	62,190,469
8	Student financial assistance grants	21,917,306	2,000,000	23,917,306
9	Professional student exchange program	3,699,342	0	3,699,342
10	Academic and technical education	12,016,749	0	12,016,749
11	—scholarships			
12	Scholars program	1,807,115	0	1,807,115
13	Native American scholarship	555,323	0	555,323
14	Tribally controlled community college grants	600,000	(100,000)	500,000
15	Education incentive programs	2,863,393	(2,103,393)	760,000
16	Student mental health	284,400	0	284,400
17	Veterans' assistance grants	277,875	0	277,875
18	Shared campus services	500,000	0	500,000
19	Dual-credit instructor assistance	200,000	(200,000)	0
20	Education challenge fund	0	2,200,000	2,200,000
21	Tier III capital building fund pool	0	9,000,000	9,000,000
22	Total all funds	\$128,051,636	\$9,087,474	\$137,139,110
23	Less estimated income	26,412,106	2,550,610	28,962,716
24	Total general fund	\$101,639,530	\$6,536,864	\$108,176,394
25	Full-time equivalent positions	149.40	(0.50)	148.90
26	<u>Capital assets - bond payments</u>	<u>\$6,605,326</u>	<u>(\$1,645,878)</u>	<u>\$4,959,448</u>
27	<u>Competitive research programs</u>	<u>6,027,750</u>	<u>(342,000)</u>	<u>5,685,750</u>
28	<u>NASA EPSCoR</u>	<u>0</u>	<u>342,000</u>	<u>342,000</u>
29	<u>System governance</u>	<u>8,163,238</u>	<u>324,629</u>	<u>8,487,867</u>
30	<u>Title II</u>	<u>1,006,472</u>	<u>(1,006,472)</u>	<u>0</u>
31	<u>Core technology services</u>	<u>61,527,347</u>	<u>758,781</u>	<u>62,286,128</u>

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1	Student financial assistance grants	21,917,306	2,000,000	23,917,306
2	Professional student exchange program	3,699,342	0	3,699,342
3	Academic and technical education	12,016,749	0	12,016,749
4	scholarships			
5	Scholars program	1,807,115	0	1,807,115
6	Native American scholarship	555,323	0	555,323
7	Tribally controlled community college	600,000	400,000	1,000,000
8	grants			
9	Education incentive programs	2,863,393	(2,103,393)	760,000
10	Student mental health	284,400	0	284,400
11	Veterans' assistance grants	277,875	0	277,875
12	Shared campus services	500,000	0	500,000
13	Dual-credit instructor assistance	200,000	(200,000)	0
14	Education challenge fund	0	12,500,000	12,500,000
15	Tier III capital building fund pool	0	9,000,000	9,000,000
16	Total all funds	\$128,051,636	\$20,027,667	\$148,079,303
17	Less estimated income	26,412,106	2,590,100	29,002,206
18	Total general fund	\$101,639,530	\$17,437,567	\$119,077,097
19	Full-time equivalent positions	149.40	(0.50)	148.90

Subdivision 2.

BISMARCK STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
24	Operations	(\$4,447,175)	\$97,222,859
25	Capital assets	0	1,922,561
26	Capital building fund	1,679,082	1,679,082
27	Total all funds	(\$2,768,093)	\$100,824,502
28	Less estimated income	(3,062,872)	69,929,126
29	Total general fund	\$294,779	\$30,895,376
30	Full-time equivalent positions	(34.42)	323.93

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1	Operations	\$101,670,034	(\$2,948,759)	\$98,721,275
2	Capital assets	1,922,561	0	1,922,561
3	Capital building fund	0	851,386	851,386
4	Total all funds	\$103,592,595	(\$2,097,373)	\$101,495,222
5	Less estimated income	72,991,998	(2,542,596)	70,449,402
6	Total general fund	\$30,600,597	\$445,223	\$31,045,820
7	Full-time equivalent positions	358.35	(34.42)	323.93

8 Subdivision 3.

9 LAKE REGION STATE COLLEGE

10		Adjustments or		
11		Base Level	Enhancements	Appropriation
12	Operations	\$36,449,048	\$950,031	\$37,399,079
13	Capital assets	362,667	3,000,000	3,362,667
14	Capital building fund	0	628,276	628,276
15	Total all funds	\$36,811,715	\$4,578,307	\$41,390,022
16	Less estimated income	24,111,092	4,405,672	28,516,764
17	Total general fund	\$12,700,623	\$172,635	\$12,873,258
18	Full-time equivalent positions	129.61	(11.51)	118.10
19	Operations	\$36,449,048	\$1,100,743	\$37,549,791
20	Capital assets	362,667	3,000,000	3,362,667
21	Capital building fund	0	354,750	354,750
22	Total all funds	\$36,811,715	\$4,455,493	\$41,267,208
23	Less estimated income	24,111,092	4,220,172	28,331,264
24	Total general fund	\$12,700,623	\$235,321	\$12,935,944
25	Full-time equivalent positions	129.61	(11.51)	118.10

26 Subdivision 4.

27 WILLISTON STATE COLLEGE

28		Adjustments or		
29		Base Level	Enhancements	Appropriation
30	Operations	\$26,954,133	\$1,077,752	\$28,031,885
31	Capital assets	1,261,968	0	1,261,968

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1	Capital building fund	0	435,812	435,812
2	Total all funds	\$28,216,101	\$1,513,564	\$29,729,665
3	Less estimated income	19,855,598	(137,663)	19,717,935
4	Total general fund	\$8,360,503	\$1,651,227	\$10,011,730
5	Full-time equivalent positions	100.75	(0.27)	100.48
6	Operations	\$26,954,133	\$6,640,714	\$33,594,847
7	Capital assets	1,261,968	0	1,261,968
8	Capital building fund	0	275,894	275,894
9	Total all funds	\$28,216,101	\$6,916,608	\$35,132,709
10	Less estimated income	19,855,598	4,210,581	24,066,179
11	Total general fund	\$8,360,503	\$2,706,027	\$11,066,530
12	Full-time equivalent positions	100.75	(0.27)	100.48

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

		Adjustments or		
	Base Level	Enhancements	Appropriation	
17	Operations	\$864,554,974	\$20,252,443	\$884,807,417
18	Capital assets	4,411,566	115,000,000	119,411,566
19	Capital building fund	0	15,393,458	15,393,458
20	Total all funds	\$868,966,540	\$150,645,901	\$1,019,612,441
21	Less estimated income	728,870,450	143,918,802	872,789,252
22	Total general fund	\$140,096,090	\$6,727,099	\$146,823,189
23	Full-time equivalent positions	2,218.07	(85.90)	2,132.17
24	Operations	\$864,554,974	\$7,993,510	\$872,548,484
25	School of law	0	19,425,648	19,425,648
26	Capital assets	4,411,566	140,000,000	144,411,566
27	Capital building fund	0	8,723,602	8,723,602
28	Total all funds	\$868,966,540	\$176,142,760	\$1,045,109,300
29	Less estimated income	728,870,450	166,538,829	895,409,279
30	Total general fund	\$140,096,090	\$9,603,931	\$149,700,021
31	Full-time equivalent positions	2,218.07	(85.90)	2,132.17

1 Subdivision 6.

2 NORTH DAKOTA STATE UNIVERSITY

3		Adjustments or		
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Operations	\$732,673,267	\$9,213,433	\$741,886,700
6	Capital assets	7,799,104	79,800,000	87,599,104
7	Capital building fund	0	12,401,812	12,401,812
8	Total all funds	\$740,472,371	\$101,415,245	\$841,887,616
9	Less estimated income	611,881,329	97,661,956	709,543,285
10	Total general fund	\$128,591,042	\$3,753,289	\$132,344,331
11	Full-time equivalent positions	1,895.66	(25.50)	1,870.16
12	<u>Operations</u>	<u>\$732,673,267</u>	<u>\$13,602,304</u>	<u>\$746,275,571</u>
13	<u>Capital assets</u>	<u>7,799,104</u>	<u>79,800,000</u>	<u>87,599,104</u>
14	<u>Capital building fund</u>	<u>0</u>	<u>5,799,192</u>	<u>5,799,192</u>
15	<u>Total all funds</u>	<u>\$740,472,371</u>	<u>\$99,201,496</u>	<u>\$839,673,867</u>
16	<u>Less estimated income</u>	<u>611,881,329</u>	<u>95,077,555</u>	<u>706,958,884</u>
17	<u>Total general fund</u>	<u>\$128,591,042</u>	<u>\$4,123,941</u>	<u>\$132,714,983</u>
18	<u>Full-time equivalent positions</u>	<u>1,895.66</u>	<u>(25.50)</u>	<u>1,870.16</u>

19 Subdivision 7.

20 NORTH DAKOTA STATE COLLEGE OF SCIENCE

21		Adjustments or		
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$91,682,610	\$3,610,065	\$95,292,675
24	Capital assets	1,012,379	0	1,012,379
25	Capital building fund	0	1,537,982	1,537,982
26	Total all funds	\$92,694,989	\$5,148,047	\$97,843,036
27	Less estimated income	57,605,613	3,898,705	61,504,318
28	Total general fund	\$35,089,376	\$1,249,342	\$36,338,718
29	Full-time equivalent positions	345.04	(34.31)	310.73
30	<u>Operations</u>	<u>\$91,682,610</u>	<u>\$4,016,447</u>	<u>\$95,699,057</u>
31	<u>Capital assets</u>	<u>1,012,379</u>	<u>30,000,000</u>	<u>31,012,379</u>

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1	Capital building fund	0	1,001,390	1,001,390
2	Total all funds	\$92,694,989	\$35,017,837	\$127,712,826
3	Less estimated income	57,605,613	33,591,545	91,197,158
4	Total general fund	\$35,089,376	\$1,426,292	\$36,515,668
5	Full-time equivalent positions	345.04	(34.31)	310.73

6 Subdivision 8.

7 DICKINSON STATE UNIVERSITY

8		Adjustments or		
9		Base Level	Enhancements	Appropriation
10	Operations	\$47,135,592	\$1,203,267	\$48,338,859
11	Capital assets	409,078	0	409,078
12	Capital building fund	0	957,642	957,642
13	Theodore Roosevelt digitization	0	250,000	250,000
14	Total all funds	\$47,544,670	\$2,410,909	\$49,955,579
15	Less estimated income	29,737,827	1,675,772	31,413,599
16	Total general fund	\$17,806,843	\$735,137	\$18,541,980
17	Full-time equivalent positions	168.90	44.36	213.26
18	Operations	\$47,135,592	\$1,425,402	\$48,560,994
19	Capital assets	409,078	0	409,078
20	Capital building fund	0	537,724	537,724
21	Theodore Roosevelt digitization	0	750,000	750,000
22	Total all funds	\$47,544,670	\$2,713,126	\$50,257,796
23	Less estimated income	29,737,827	1,376,906	31,114,733
24	Total general fund	\$17,806,843	\$1,336,220	\$19,143,063
25	Full-time equivalent positions	168.90	44.36	213.26

26 Subdivision 9.

27 MAYVILLE STATE UNIVERSITY

28		Adjustments or		
29		Base Level	Enhancements	Appropriation
30	Operations	\$44,197,761	\$3,153,768	\$47,351,529
31	Capital assets	358,992	0	358,992

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1	Capital building fund	0	833,832	833,832
2	Total all funds	\$44,556,753	\$3,987,600	\$48,544,353
3	Less estimated income	30,307,148	1,906,832	32,213,980
4	Total general fund	\$14,249,605	\$2,080,768	\$16,330,373
5	Full-time equivalent positions	210.53	(1.26)	209.27
6	Operations	\$44,197,761	\$3,521,794	\$47,719,555
7	Capital assets	358,992	0	358,992
8	Capital building fund	0	480,058	480,058
9	Total all funds	\$44,556,753	\$4,001,852	\$48,558,605
10	Less estimated income	30,307,148	1,830,841	32,137,989
11	Total general fund	\$14,249,605	\$2,171,011	\$16,420,616
12	Full-time equivalent positions	210.53	(1.26)	209.27

Subdivision 10.

MINOT STATE UNIVERSITY

		Adjustments or		
	Base Level	Enhancements	Appropriation	
17	Operations	\$100,710,275	\$1,095,224	\$101,805,499
18	Capital assets	1,099,620	0	1,099,620
19	Capital building fund	0	2,042,828	2,042,828
20	Total all funds	\$101,809,895	\$3,138,052	\$104,947,947
21	Less estimated income	62,058,916	3,207,692	65,266,608
22	Total general fund	\$39,750,979	(\$69,640)	\$39,681,339
23	Full-time equivalent positions	441.65	(34.07)	407.58
24	Operations	\$100,710,275	\$1,614,798	\$102,325,073
25	Capital assets	1,099,620	0	1,099,620
26	Capital building fund	0	1,145,602	1,145,602
27	Total all funds	\$101,809,895	\$2,760,400	\$104,570,295
28	Less estimated income	62,058,916	2,614,686	64,673,602
29	Total general fund	\$39,750,979	\$145,714	\$39,896,693
30	Full-time equivalent positions	441.65	(34.07)	407.58

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	\$48,444,336	(\$2,009,370)	\$46,434,966
Capital assets	455,823	0	455,823
Capital building fund	0	1,028,686	1,028,686
Total all funds	\$48,900,159	(\$980,684)	\$47,919,475
Less estimated income	28,470,657	(1,583,258)	26,887,399
Total general fund	\$20,429,502	\$602,574	\$21,032,076
Full-time equivalent positions	202.75	(22.07)	180.68
Operations	\$48,444,336	(\$267,408)	\$48,176,928
Capital assets	455,823	0	455,823
Capital building fund	0	618,274	618,274
Total all funds	\$48,900,159	\$350,866	\$49,251,025
Less estimated income	28,470,657	(1,878,565)	26,592,092
Total general fund	\$20,429,502	\$2,229,431	\$22,658,933
Full-time equivalent positions	202.75	(22.07)	180.68

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	Base Level	Adjustments or Enhancements	Appropriation
Operations	\$17,168,111	\$811,683	\$17,979,794
Capital assets	114,007	0	114,007
Capital building fund	0	357,700	357,700
Total all funds	\$17,282,118	\$1,169,383	\$18,451,501
Less estimated income	9,629,173	1,124,568	10,753,741
Total general fund	\$7,652,945	\$44,815	\$7,697,760
Full-time equivalent positions	84.30	(2.01)	82.29
Operations	\$17,168,111	\$4,266,912	\$21,435,023
Capital assets	114,007	2,500,000	2,614,007
Capital building fund	0	212,128	212,128

1	Total all funds	\$17,282,118	\$6,979,040	\$24,261,158
2	Less estimated income	9,629,173	6,896,742	16,525,915
3	Total general fund	\$7,652,945	\$82,298	\$7,735,243
4	Full-time equivalent positions	84.30	(2.01)	82.29

5 Subdivision 13.

6 UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

7		Adjustments or		
8		Base Level	Enhancements	Appropriation
9	Operations	\$205,926,712	\$5,179,871	\$211,106,583
10	Health care workforce initiative	0	10,676,150	10,676,150
11	Total all funds	\$205,926,712	\$15,856,021	\$221,782,733
12	Less estimated income	154,078,620	4,768,324	158,846,944
13	Total general fund	\$51,848,092	\$11,087,697	\$62,935,789
14	Full-time equivalent positions	435.75	49.57	485.32
15	Operations	\$205,926,712	\$5,369,938	\$211,296,650
16	Health care workforce initiative	0	10,676,150	10,676,150
17	Total all funds	\$205,926,712	\$16,046,088	\$221,972,800
18	Less estimated income	154,078,620	4,958,391	159,037,011
19	Total general fund	\$51,848,092	\$11,087,697	\$62,935,789
20	Full-time equivalent positions	435.75	49.57	485.32

21 Subdivision 14.

22 NORTH DAKOTA FOREST SERVICE

23		Adjustments or		
24		Base Level	Enhancements	Appropriation
25	Operations	\$14,958,447	\$230,049	\$15,188,496
26	Capital assets	118,728	0	118,728
27	Total all funds	\$15,077,175	\$230,049	\$15,307,224
28	Less estimated income	10,650,748	14,652	10,665,400
29	Total general fund	\$4,426,427	\$215,397	\$4,641,824
30	Full-time equivalent positions	27.00	0.00	27.00

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1	Operations	\$14,958,447	\$264,889	\$15,223,336
2	Capital assets	118,728	0	118,728
3	Total all funds	\$15,077,175	\$264,889	\$15,342,064
4	Less estimated income	10,650,748	14,652	10,665,400
5	Total general fund	\$4,426,427	\$250,237	\$4,676,664
6	Full-time equivalent positions	27.00	0.00	27.00

7 Subdivision 15.

8 BILL TOTAL

9		Adjustments or		
10		Base Level	Enhancements	Appropriation
11	Grand total general fund	\$613,242,154	\$35,081,983	\$648,324,137
12	Grand total special funds	1,866,661,275	260,349,792	2,127,011,067
13	Grand total all funds	\$2,479,903,429	\$295,431,775	\$2,775,335,204
14	Grand total general fund	\$613,242,154	\$53,280,910	\$666,523,064
15	Grand total special funds	1,866,661,275	319,499,839	2,186,161,114
16	Grand total all funds	\$2,479,903,429	\$372,780,749	\$2,852,684,178

17 **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect one-time funding items
 18 approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21
 19 biennium one-time funding items included in the appropriation in section 1 of this Act:

20	One-Time Funding Description	2017-19	2019-21
21	Capital projects—other funds	\$168,505,000	\$197,800,000
22	Education challenge grants	2,000,000	2,200,000
23	Tier II and tier III capital building funds	0	46,297,110
24	Theodore Roosevelt digitization	0	250,000
25	Institution operations distributions	2,000,000	0
26	Dickinson state university operations and debt repayment	8,284,626	0
27	Two-year campus study	40,000	0
28	Valley City state university integrated carbon project	22,500,000	0
29	Minot state university projects	2,284,000	0
30	Midwestern higher education compact dues	230,000	0
31	Total all funds	\$205,843,626	\$246,547,110

1	Total other funds	193,289,000	240,097,110
2	Total general fund	\$12,554,626	\$6,450,000
3	Capital projects - other funds	\$168,505,000	\$255,300,000
4	Education challenge grants	2,000,000	12,500,000
5	Tier II and tier III capital building funds	0	29,000,000
6	Theodore Roosevelt digitization	0	750,000
7	University of North Dakota research digital initiative	0	2,500,000
8	North Dakota state university research digital initiative	0	2,500,000
9	Institution operations distributions	2,000,000	0
10	Dickinson state university operations and debt repayment	8,284,626	0
11	Two-year campus study	40,000	0
12	Valley City state university integrated carbon project	22,500,000	0
13	Minot state university projects	2,284,000	0
14	Midwestern higher education compact dues	230,000	0
15	Total all funds	\$205,843,626	\$302,550,000
16	Total other funds	193,289,000	285,300,000
17	Total general fund	\$12,554,626	\$17,250,000

18 The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget
 19 for the 2021-23 biennium. The institutions and entities under the control of the state board of
 20 higher education shall report to the appropriations committees of the sixty-seventh legislative
 21 assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and
 22 ending June 30, 2021.

SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - WILLISTON STATE COLLEGE.

24 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
 25 appropriated, the sum of \$491,850, or so much of the sum as may be necessary, to Williston
 26 state college for institution operations, for the period beginning with the effective date of this Act,
 27 and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from
 28 this appropriation may be continued into the biennium beginning July 1, 2019, and ending
 29 June 30, 2021.

SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - STATE BOARD OF HIGHER

31 **EDUCATION.** There is appropriated out of any moneys in the general fund in the state treasury,

1 not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary,
2 to the state board of higher education for the purpose of providing matching grants for clinical
3 legal education, including indigent legal services, and for the recruitment and retention of faculty
4 at the university of North Dakota school of law, for the period beginning with the effective date of
5 this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended
6 funds from this appropriation may be continued into the biennium beginning July 1, 2019, and
7 ending June 30, 2021.

8 **SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - STATE BOARD OF HIGHER**
9 **EDUCATION.** There is appropriated out of any moneys in the general fund in the state treasury,
10 not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be
11 necessary, to the state board of higher education for campus workforce initiative projects,
12 including the Bismarck state college polytechnic and Dickinson state university dual-mission
13 transitions, for the period beginning with the effective date of this Act, and ending June 30,
14 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation
15 may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

16 **SECTION 6.** A new chapter to title 15 of the North Dakota Century Code is created and
17 enacted as follows:

18 **Midwestern regional higher education compact.**

19 The midwestern regional higher education compact is adopted as follows:

20 **ARTICLE I - PURPOSE**

21 The purpose of the midwestern higher education compact is to provide greater higher
22 education opportunities and services in the midwestern region, with the aim of furthering
23 regional access to, research in, and choice of higher education for the citizens residing in the
24 states that are parties to this compact.

25 **ARTICLE II - THE COMMISSION**

- 26 1. The compacting states create the midwestern higher education commission,
27 hereinafter called the commission. The commission is a body corporate of each
28 compacting state. The commission has all the responsibilities, powers, and duties set
29 forth in this chapter, including the power to sue and be sued, and any additional
30 powers conferred upon it by subsequent action of the respective legislative assemblies
31 of the compacting states in accordance with the terms of this compact.

- 1 2. The commission consists of the following five resident members from each state: the
2 governor or the governor's designee who serves during the tenure of office of the
3 governor; two legislators, one from each house, except for Nebraska, which may
4 appoint two legislators from its legislative assembly, who serve two-year terms and are
5 appointed by the appropriate appointing authority in each house of the legislative
6 assembly; and two other at large members, at least one of whom is to be selected
7 from the field of higher education. The at large members are to be appointed as
8 provided by the laws of the appointing state. One of the two at large members initially
9 appointed in each state serves a two-year term. The other, and any regularly
10 appointed successor to either at large member, serves a four-year term. All vacancies
11 are to be filled in accordance with the laws of the appointing states. Any commissioner
12 appointed to fill a vacancy serves until the end of the incomplete term.
- 13 3. The commission shall select annually, from among its members, a chairman, a vice
14 chairman, and a treasurer.
- 15 4. The commission shall appoint an executive director who serves at its pleasure and
16 who is secretary to the commission. The treasurer, the executive director, and other
17 personnel as the commission determines must be bonded in the amounts required by
18 the commission.
- 19 5. The commission shall meet at least once each calendar year. The chairman may call
20 additional meetings and upon the request of a majority of the commission members of
21 three or more compacting states, shall call additional meetings. The commission shall
22 give public notice of all meetings. All meetings must be open to the public.
- 23 6. Each compacting state represented at any meeting of the commission is entitled to
24 one vote. A majority of the compacting states constitute a quorum for the transaction of
25 business, unless a larger quorum is required by the bylaws of the commission.

ARTICLE III - POWERS AND DUTIES OF THE COMMISSION

- 27 1. The commission shall adopt bylaws governing its management and operations.
- 28 2. Notwithstanding the laws of any compacting state, the commission shall provide for
29 the personnel policies and programs of the compact in its bylaws.
- 30 3. The commission shall submit a budget to the governor and legislative assembly of
31 each compacting state at the time and for the period required by each state. The

1 budget must contain recommendations regarding the amount to be appropriated by
2 each compacting state.

3 4. The commission shall report annually to the legislative assemblies and governors of
4 the compacting states, to the midwestern governors' conference, and to the
5 midwestern legislative conference of the council of state governments regarding the
6 activities of the commission during the preceding year. The reports must include any
7 recommendations that have been adopted by the commission.

8 5. The commission may borrow, accept, or contract for the services of personnel from
9 any state or from the United States, or from any subdivision or agency thereof, from
10 any interstate agency, or from any person.

11 6. The commission may accept for any of its purposes and functions under the compact
12 donations and grants of money, equipment, supplies, materials, and services,
13 conditional or otherwise, from any state or the United States or from any subdivision or
14 agency thereof, from an interstate agency, or from any person, and may receive, use,
15 and dispose of the same.

16 7. The commission may enter agreements with any other interstate education
17 organization or agency, with institutions of higher education located in nonmember
18 states, and with any of the various states to provide adequate programs and services
19 in higher education for the citizens of the respective compacting states. After
20 negotiations with interested institutions and interstate organizations or agencies, the
21 commission shall determine the cost of providing the programs and services in higher
22 education for use in these agreements.

23 8. The commission may establish and maintain offices in one or more of the compacting
24 states.

25 9. The commission may establish committees and hire staff as necessary to carry out its
26 functions.

27 10. The commission may provide for actual and necessary expenses for the attendance of
28 its members at official meetings of the commission or of its designated committees.

29 **ARTICLE IV - ACTIVITIES OF THE COMMISSION**

30 1. The commission shall collect data on the long-range effects of the compact on higher
31 education. By the end of the fourth year from the effective date of the compact and

1 every two years thereafter, the commission shall review its accomplishments and
2 make recommendations to the governors and legislative assemblies of the compacting
3 states regarding continuance of the compact.

4 2. The commission shall study higher education issues that are of particular concern to
5 the midwestern region. The commission also shall study the need for higher education
6 programs and services in the compacting states and the resources for meeting those
7 needs. The commission shall prepare reports, on its research, for presentation to the
8 governors and legislative assemblies of the compacting states, as well as to other
9 interested parties. In conducting the studies, the commission may confer with any
10 national or regional planning body. The commission may draft and recommend to the
11 governors and legislative assemblies of the various compacting states suggested
12 legislation addressing issues in higher education.

13 3. The commission shall study the need for the provision of adequate programs and
14 services in higher education, such as undergraduate, graduate, or professional
15 student exchanges in the region. If a need for exchange in a field is apparent, the
16 commission may enter agreements with any institution of higher education and with
17 any compacting state to provide programs and services in higher education for the
18 citizens of the respective compacting states. After negotiating with interested
19 institutions and the compacting states, the commission shall determine the cost of
20 providing the programs and services in higher education for use in its agreements.
21 The contracting states shall contribute funds not otherwise provided, as determined by
22 the commission, to carry out the agreements. The commission may also serve as the
23 administrative and fiscal agent in carrying out agreements for higher education
24 programs and services.

25 4. The commission shall serve as a clearinghouse for information regarding higher
26 education activities among institutions and agencies.

27 5. The commission may provide services and research in any other area of regional
28 concern.

ARTICLE V - FINANCE

29
30 1. The compacting states will appropriate the amount necessary to finance the general
31 operations of the commission, not otherwise provided for, when authorized by their

1 respective legislative assemblies. The amount must be apportioned equally among the
2 compacting states.

3 2. The commission may not incur any obligations prior to the passage of appropriations
4 adequate to meet the same; nor may the commission pledge the credit of any of the
5 compacting states, except by and with the authority of the compacting state.

6 3. The commission shall keep accurate accounts of its receipts and disbursements. The
7 receipts and disbursements of the commission are subject to the audit and accounting
8 procedures established under its bylaws. All receipts and disbursements handled by
9 the commission must be audited yearly by a certified or licensed public accountant
10 and the report of the audit must be included in and become part of the annual report of
11 the commission.

12 4. The accounts of the commission must be open at any reasonable time for inspection
13 by duly authorized representatives of the compacting states and by persons
14 authorized by the commission.

15 **ARTICLE VI - ELIGIBLE PARTIES AND ENTRY INTO FORCE**

16 1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri,
17 Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to become
18 parties to this compact. Additional states may be eligible if approved by a majority of
19 the compacting states.

20 2. This compact becomes effective, as to any eligible party state, when its legislative
21 assembly enacts the compact into law.

22 3. An amendment to the compact becomes effective upon its enactment by the
23 legislative assemblies of all compacting states.

24 **ARTICLE VII - WITHDRAWAL, DEFAULT, AND TERMINATION**

25 1. A compacting state may withdraw from the compact by enacting a statute repealing
26 the compact, but the withdrawal may not become effective until two years after the
27 enactment of such statute. A withdrawing state is liable for any obligation that it
28 incurred on account of its party status, up to the effective date of withdrawal, except
29 that if the withdrawing state has specifically undertaken or committed itself to any
30 performance of an obligation extending beyond the effective date of withdrawal, it
31 remains liable to the extent of the obligation.

1 2. If a compacting state at any time defaults in the performance of its obligations,
2 assumed or imposed, in accordance with this compact, all rights, privileges, and
3 benefits conferred by this compact or by agreements made under the compact are
4 suspended from the effective date of the default, as fixed by the commission. The
5 commission shall stipulate the conditions and maximum time for compliance under
6 which the defaulting state may resume its regular status. Unless the default is
7 remedied under the stipulations and within the time period set by the commission, the
8 compact may be terminated with respect to the defaulting state by affirmative vote of a
9 majority of the other member states. A defaulting state may be reinstated by
10 performing all acts and obligations required by the commission.

11 **ARTICLE VIII - SEVERABILITY AND CONSTRUCTION**

12 The provisions of this compact are severable, and if any phrase, clause, sentence, or
13 provision of this compact is declared to be contrary to the constitution of any compacting state
14 or of the United States or its applicability to any person or circumstance is held invalid, the
15 validity of the remainder of the compact and its applicability to any person or circumstance may
16 not be affected. If the compact is found to be contrary to the constitution of any compacting
17 state, the compact remains in full force and effect as to the remaining states and in full force
18 and effect as to the state affected as to all severable matters. The provisions of the compact
19 must be liberally construed to effectuate the purpose of the compact.

20 **Midwestern higher education commission - Terms - Vacancies.**

- 21 1. The members of the midwestern higher education commission representing this state
22 are:
- 23 a. The governor or the governor's designee.
 - 24 b. One member of the senate and one member of the house of representatives,
25 appointed by the chairman of the legislative management.
 - 26 c. Two at-large members, one of whom must be knowledgeable about the field of
27 higher education, appointed by the governor.
- 28 2. The term of each legislative appointee is two years. One initial at-large member must
29 be appointed for a term of two years and the other for a term of four years. Thereafter,
30 the term of each at-large member is four years.

- 1 3. If a member vacates the position to which the member was appointed, the position
2 must be filled for the remainder of the unexpired term in the same manner as that
3 position was filled initially.

4 **SECTION 7. AMENDMENT.** Section 15-10-48 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15-10-48. Advancement of academics - Matching grants - University of North Dakota**
7 **and North Dakota state university.**

- 8 1. a. Subject to legislative appropriations, each biennium during the period beginning
9 July first of each odd-numbered year and ending December thirty-first of each
10 even-numbered year, the state board of higher education shall award one dollar
11 in matching grants for every two dollars raised by the institutional foundations of
12 the university of North Dakota and North Dakota state university for projects
13 dedicated exclusively to the advancement of academics.
- 14 b. To be eligible for a matching grant, an institution must demonstrate that:
- 15 (1) Its foundation has raised at least fifty thousand dollars in cash or monetary
16 pledges for a qualifying project; and
- 17 (2) The project has been approved by the grant review committee established
18 in section 15-10-51.
- 19 c. The board may award up to two ~~hundred thousand~~million dollars in matching
20 grants to each institution.
- 21 d. Projects at the university of North Dakota school of medicine and health sciences
22 are not eligible to receive a grant under this section.
- 23 2. a. If any available dollars have not been awarded by the board before January first
24 of each odd-numbered year, in accordance with subsection 1, either the
25 university of North Dakota or North Dakota state university may apply for an
26 additional matching grant.
- 27 b. An application submitted under this subsection must meet the same criteria as an
28 original application.
- 29 c. The board shall consider each application submitted under this subsection in
30 chronological order.

1 d. If the remaining dollars are insufficient to provide a matching grant in the amount
2 of one dollar for every two dollars raised by the institutional foundation, the board
3 shall award a lesser amount.

4 3. The state board of higher education shall retain up to one-quarter of one percent of
5 any grant awarded under this section to assist with administrative expenses incurred
6 in the grant review process.

7 **SECTION 8.** Section 15-10-48.1 of the North Dakota Century Code is created and enacted
8 as follows:

9 **15-10-48.1. Clinical legal education, including indigent legal services, and faculty**
10 **recruitment and retention - Matching grants - University of North Dakota school of law.**

11 1. a. Subject to legislative appropriations, each biennium the state board of higher
12 education shall award one dollar in matching grants for every two dollars raised
13 by the institutional foundation of the university of North Dakota for projects
14 dedicated exclusively to clinical legal education, including indigent legal services,
15 or the recruitment and retention of faculty at the school of law.

16 b. To be eligible for a matching grant, the institution shall demonstrate:

17 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
18 monetary pledges for a qualifying project; and

19 (2) The project has been approved by the grant review committee established
20 in section 15-10-51.

21 c. The board may award up to two hundred fifty thousand dollars in matching grants
22 under this section.

23 d. If the remaining dollars are insufficient to provide a matching grant in the amount
24 of one dollar for every two dollars raised by the institutional foundation, the board
25 shall award a lesser amount.

26 2. The state board of higher education shall retain up to one-quarter of one percent of
27 any grant awarded under this section to assist with the administrative expenses
28 incurred in the grant review process.

29 **SECTION 9. AMENDMENT.** Section 15-10-49 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **15-10-49. Advancement of academics - Matching grants - Two-year and four-year**
2 **institutions of higher education.**

3 1. a. Subject to legislative appropriations, each biennium during the period beginning
4 July first of each odd-numbered year and ending December thirty-first of each
5 even-numbered year, the state board of higher education shall award one dollar
6 in matching grants for every two dollars raised by the institutional foundations of
7 Bismarck state college, Dakota college at Bottineau, Dickinson state university,
8 Lake Region state college, Mayville state university, Minot state university, North
9 Dakota state college of science, Valley City state university, and Williston state
10 college for projects dedicated exclusively to the advancement of academics.

11 b. To be eligible for a matching grant, an institution must demonstrate that:
12 (1) Its foundation has raised at least twenty-five thousand dollars in cash or
13 monetary pledges for a qualifying project; and
14 (2) The project has been approved by the grant review committee established
15 in section 15-10-51.

16 c. The board may award up to ~~two hundred thousand dollars in matching grants to~~
17 ~~each institution.;~~

18 (1) One million two hundred thousand dollars each to Bismarck state college,
19 Minot state university, and the North Dakota state college of science;

20 (2) One million dollars each to Dickinson state university, Mayville state
21 university, and Valley City state university; and

22 (3) Five hundred thousand dollars each to Dakota college at Bottineau, Lake
23 Region state college, and Williston state college.

24 2. a. If any available dollars have not been awarded by the board before January first
25 of each odd-numbered year, in accordance with subsection 1, any institution
26 listed in subsection 1 may apply for an additional matching grant.

27 b. An application submitted under this subsection must meet the same criteria as an
28 original application.

29 c. The board shall consider each application submitted under this subsection in
30 chronological order.

1 d. If the remaining dollars are insufficient to provide a matching grant in the amount
2 of one dollar for every two dollars raised by the institutional foundation, the board
3 shall award a lesser amount.

4 3. a. The board may award an additional four hundred thousand dollars in matching
5 grants to institutions that have been awarded the entire allocation allowed under
6 subsection 1 and apply for an additional matching grant.

7 b. An application submitted under this subsection must meet the same criteria as in
8 the original application.

9 c. The board shall consider each application submitted under this subsection in
10 chronological order.

11 d. If the funding provided under this subsection is insufficient to provide a matching
12 grant in the amount of one dollar for every two dollars raised by the institutional
13 foundation, the board shall award a lesser amount.

14 4. The state board of higher education shall retain up to one-quarter of one percent of
15 any grant awarded under this section to assist with administrative expenses incurred
16 in the grant review process.

17 ~~SECTION 5. A new subsection to section 15-10-63 of the North Dakota Century Code is~~
18 ~~created and enacted as follows:~~

19 ~~Notwithstanding any existing agreements, an institution under the control of the state~~
20 ~~board of higher education shall obtain approval from the legislative assembly before~~
21 ~~the institution acquires any additional facility space to be used by the institution for any~~
22 ~~purpose, if the acquisition would result in additional operating costs to be paid from~~
23 ~~any source. This subsection does not apply to operating lease agreements that~~
24 ~~preclude the ownership of the leased facility.~~

25 ~~SECTION 6. A new subsection to section 15-10-63 of the North Dakota Century Code is~~
26 ~~created and enacted as follows:~~

27 ~~Notwithstanding any existing agreements, an institution under the control of the state~~
28 ~~board of higher education shall obtain approval from the legislative assembly before~~
29 ~~an institution purchases, rents, occupies, or otherwise utilizes a building or any portion~~
30 ~~of a building for a purpose that directly or indirectly supports or relates to the~~
31 ~~institution's educational or administrative functions if the building is located more than~~

~~ten miles from the campus of the institution. This subsection does not apply to
buildings utilized by an institution to offer dual-credit courses, buildings utilized by the
agricultural experiment station and research extension centers, and buildings utilized
by the North Dakota state university extension service. For purposes of this section,
"campus" means the campus of the institution under the federal Clery Act [Pub. L.
105-244; 20 U.S.C. 1092(f)].~~

~~SECTION 7. A new subsection to section 15-10-63 of the North Dakota Century Code is
created and enacted as follows:~~

~~An institution that obtains legislative approval to acquire any additional facility space to
be used by the institution for any purpose shall establish a maintenance reserve fund
of at least three percent of the total construction cost or replacement value, whichever
is greater, of the acquired space. The institution's plans for funding the maintenance
reserve fund must be included in the request for legislative approval. Maintenance
reserve funds must be deposited in an account under the control of the state board of
higher education before the acquired space may be occupied, and the funds may be
used for maintenance repairs after the total deferred maintenance of the space
exceeds thirty percent of its replacement value. The funds may not be used for any
other purpose. This subsection does not apply to additional space acquired through
the sale of revenue bonds that require by covenant the establishment of maintenance
reserve funds.~~

SECTION 10. AMENDMENT. Section 15-10-50 of the North Dakota Century Code is
amended and reenacted as follows:

15-10-50. Liability for pledged amount.

If in accordance with section 15-10-48, [15-10-48.1](#), or 15-10-49, the state board of higher
education provides grant funds to an institution, on the basis of a monetary pledge, and if the
amount forthcoming is less than the amount pledged, the institutional foundation is liable to the
institution for any shortfall.

SECTION 11. AMENDMENT. Section 15-18.2-02 of the North Dakota Century Code is
amended and reenacted as follows:

1 **15-18.2-02. Weighted credit-hours - Determination - Instructional program**
2 **classification factors - Submission to legislative management.**

3 1. In order to determine the weighted credit-hours for each institution under its control,
4 the state board of higher education shall multiply each of an institution's completed
5 credit-hours, as determined under section 15-18.2-01, by an instructional program
6 classification factor, as set forth in this section.

7 a. The factors for credits completed in agriculture are:

- 8 (1) 1.9 for lower division credits;
9 (2) 3.8 for upper division credits;
10 (3) 5.7 for professional level credits; and
11 (4) 7.6 for graduate level credits.

12 b. The factors for credits completed in architecture are:

- 13 (1) 1.8 for lower division credits;
14 (2) 3.6 for upper division credits;
15 (3) 5.4 for professional level credits; and
16 (4) 7.2 for graduate level credits.

17 c. The factors for credits completed in transportation are:

- 18 (1) 1.9 for lower division credits;
19 (2) 3.8 for upper division credits;
20 (3) 5.7 for professional level credits; and
21 (4) 7.6 for graduate level credits.

22 d. The factors for credits completed in the biological and physical sciences are:

- 23 (1) 1.9 for lower division credits;
24 (2) 3.8 for upper division credits;
25 (3) 5.7 for professional level credits; and
26 (4) 7.6 for graduate level credits.

27 e. The factors for credits completed in business are:

- 28 (1) 1.9 for lower division credits;
29 (2) 3.8 for upper division credits;
30 (3) 5.7 for professional level credits; and
31 (4) 7.6 for graduate level credits.

- 1 f. The factors for credits completed in education are:
- 2 (1) 1.9 for lower division credits;
- 3 (2) 3.8 for upper division credits;
- 4 (3) 5.7 for professional level credits; and
- 5 (4) 7.6 for graduate level credits.
- 6 g. The factors for credits completed in engineering are:
- 7 (1) 2.5 for lower division credits;
- 8 (2) 5.0 for upper division credits;
- 9 (3) 7.5 for professional level credits; and
- 10 (4) 10.0 for graduate level credits.
- 11 h. The factors for credits completed in the health sciences are:
- 12 (1) 3.0 for lower division credits;
- 13 (2) 6.0 for upper division credits;
- 14 (3) 9.0 for professional level credits;
- 15 (4) 12.0 for graduate level credits; and
- 16 (5) ~~38.0~~34.5 for medical school credits.
- 17 i. The factors for credits completed in legal studies are:
- 18 (1) 3.5 for lower division credits;
- 19 (2) 7.0 for upper division credits;
- 20 (3) ~~10.5~~13.3 for professional level credits; and
- 21 (4) 14.0 for graduate level credits.
- 22 j. The factors for credits completed in the core disciplines are:
- 23 (1) 1.0 for lower division credits;
- 24 (2) 2.0 for upper division credits;
- 25 (3) 3.0 for professional level credits; and
- 26 (4) 4.0 for graduate level credits.
- 27 k. The factor for credits completed in career and technical education is 2.0.
- 28 l. The factor for completed basic skills credits is 2.3.
- 29 2. a. The state board of higher education shall ensure that all delineations in this
- 30 section reflect the requirements of a nationally recognized and standardized
- 31 instructional program classification system.

- 1 b. Before adopting any changes to the delineations implemented in accordance with
2 this section, the state board of higher education shall present the proposed
3 changes to and receive the approval of the legislative management.

4 **SECTION 12.** Section 15-18.2-04.1 of the North Dakota Century Code is created and
5 enacted as follows:

6 **15-18.2-04.1. Cost of living factor - Determination.**

7 For each institution under its control, the state board of higher education shall multiply the
8 product determined under section 15-18.2-04 by a cost of living factor of:

- 9 1. 1.0 if the institution is located in a county with a median household income, when
10 divided by the North Dakota average household income results in a quotient of less
11 than 1.35; or
12 2. 1.1 if the institution is located in a county with a median household income, when
13 divided by the North Dakota average household income results in a quotient of 1.35 or
14 more.

15 **SECTION 13. AMENDMENT.** Section 15-18.2-05 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **15-18.2-05. Base funding - Determination of state aid.**

- 18 1. Except as provided under subsection 2, in order to determine the state aid payment to
19 which each institution under its control is entitled, the state board of higher education
20 shall multiply the product determined under section ~~15-18.2-04~~15-18.2-04.1 by a base
21 amount of:
22 a. ~~\$58.65~~~~\$60.70~~\$60.87 in the case of North Dakota state university and the
23 university of North Dakota;
24 b. ~~\$86.95~~~~\$90.48~~\$90.98 in the case of Dickinson state university, Mayville state
25 university, Minot state university, and Valley City state university; and
26 c. ~~\$93.03~~~~\$96.52~~\$96.99 in the case of Bismarck state college, Dakota college at
27 Bottineau, Lake Region state college, North Dakota state college of science, and
28 Williston state college.
29 2. An institution is entitled to an amount equal to seventy-five percent of the product
30 determined under subsection 1 for credits completed by students receiving a tuition
31 waiver pursuant to section 54-12-35.

1 **SECTION 14. AMENDMENT.** Section 15-62.4-03 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-62.4-03. Student financial assistance program - Grants.**

4 1. The state board of higher education shall provide to each eligible student a financial
5 assistance grant in an amount not exceeding:

- 6 a. ~~Nine hundred seventy-five~~One thousand one hundred dollars per semester; or
7 b. ~~Six hundred fifty~~Seven hundred thirty-three dollars per quarter.

8 2. a. A student is not entitled to receive grants under this chapter for more than the
9 equivalent of:

- 10 (1) Eight semesters of full-time enrollment; or
11 (2) Twelve quarters of full-time enrollment.

12 b. Notwithstanding subdivision a, a student is not entitled to receive a grant under
13 this chapter after the student obtains a baccalaureate degree.

14 3. The board shall forward grants payable under this chapter directly to the institution in
15 which the student is enrolled.

16 **SECTION 15. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**
19 **When they may continue. (Effective through July 31, ~~2019~~2021)**

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

1 biennial period during which they became available upon recommendation of the director of the
2 budget for:

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

14 **Office of management and budget to cancel unexpended appropriations - When they**

15 **may continue. (Effective after July 31, ~~2019~~2021)** The office of management and budget,
16 thirty days after the close of each biennial period, shall cancel all unexpended appropriations or
17 balances of appropriations after the expiration of the biennial period during which they became
18 available under the law. Unexpended appropriations for the state historical society are not
19 subject to this section and the state historical society shall report on the amounts and uses of
20 funds carried over from one biennium to the appropriations committees of the next subsequent
21 legislative assembly. The chairmen of the appropriations committees of the senate and house of
22 representatives of the legislative assembly with the office of the budget may continue
23 appropriations or balances in force for not more than two years after the expiration of the
24 biennial period during which they became available upon recommendation of the director of the
25 budget for:

- 26 1. New construction projects.
- 27 2. Major repair or improvement projects.
- 28 3. Purchases of new equipment costing more than ten thousand dollars per unit if it was
29 ordered during the first twelve months of the biennium in which the funds were
30 appropriated.

1 4. The purchase of land by the state on a "contract for deed" purchase if the total
2 purchase price is within the authorized appropriation.

3 5. Purchases by the department of transportation of roadway maintenance equipment
4 costing more than ten thousand dollars per unit if the equipment was ordered during
5 the first twenty-one months of the biennium in which the funds were appropriated.

6 6. Authorized ongoing information technology projects.

7 **SECTION 16. REPEAL.** Section 15-10-61 of the North Dakota Century Code is repealed.

8 **SECTION 17. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS -**

9 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from
10 federal, private, and other sources for competitive grants or other funds that the legislative
11 assembly has not indicated the intent to reject, including tuition revenue, received by the state
12 board of higher education and the institutions and entities under the control of the state board of
13 higher education, are appropriated to the board and those institutions and entities, for the
14 biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under
15 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019,
16 and ending June 30, 2021, are appropriated to the state board of higher education for
17 reimbursement to institutions under the control of the board.

18 **SECTION 18. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.** During the
19 period beginning with the effective date of this Act, and ending June 30, 2021, each capital
20 project authorized by the state board of higher education must have adequate project
21 management oversight by either an institution official or a representative of an external entity.
22 An institution may seek assistance from the North Dakota university system office for project
23 management oversight of a capital project.

24 **SECTION 19. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH**
25 **SCIENCES OPERATIONS.** The operations line item in subdivision 5 of section 1 of this Act
26 includes a funding allocation from the higher education per student credit-hour funding formula
27 attributable to inflation during the biennium beginning July 1, 2019, and ending June 30, 2021.
28 Based on the recommendation of the commissioner of higher education a portion of the
29 allocation may be transferred by the state board of higher education between the university of
30 North Dakota school of medicine and health sciences and the university of North Dakota.

1 **SECTION 20. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**

2 Notwithstanding section 54-16-04, the state board of higher education may transfer
3 appropriation authority from the operations to the capital assets and capital building fund line
4 items within subdivisions 2 through 14 of section 1 of this Act for the ~~biennium period~~ beginning
5 ~~July 1, 2019~~ with the effective date of this Act, and ending June 30, 2021. The board shall report
6 any transfer of funds under this section to the office of management and budget and the
7 legislative management.

8 **SECTION 21. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding
9 any other provisions of law, the state board of higher education may adjust full-time equivalent
10 positions as needed, subject to the availability of funds, for institutions and entities under its
11 control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North
12 Dakota university system shall report any adjustments to the office of management and budget
13 as part of the submission of the 2021-23 biennium budget request.

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

15 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding
16 from the general fund for institution extraordinary repairs. An institution shall provide two dollars
17 of matching funds from operations or other sources for each one dollar of extraordinary repairs
18 funding used for a project. An institution may not use tier II or tier III capital building fund
19 moneys as matching funds under this section.

20 **SECTION 23. SALE OF PROPERTY AUTHORIZED.** The state of North Dakota, by and
21 through the state board of higher education, may sell and convey certain real property known as
22 gallery apartments, lots 1, 2, and 3, block 13, university heights addition, and lots 1, 2, 3, 4, 5,
23 and 6, block 1, university heights 2nd addition, in the records of the city of Grand Forks. The
24 state of North Dakota, by and through the state board of higher education, may sell and convey
25 certain real property located at 1225 stanford road, lots 1 and 2, block 5, university heights
26 addition, in the records of the city of Grand Forks. If any of the real property authorized to be
27 conveyed under this section is conveyed, the terms of the conveyance must be determined
28 jointly by the state board of higher education or a designee of the board and the commissioner
29 of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers
30 authorized by this section.

SECTION 24. PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act, and ending June 30, 2021. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2021. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2021, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness are included in the appropriation in subdivision 5 of section 1, beginning with the effective date of this Act, and ending June 30, 2021, for the following projects:

University of North Dakota - deferred maintenance projects	<u>\$15,000,000</u>
Total special funds	\$15,000,000

The university of North Dakota is responsible for the repayment of any evidences of indebtedness issued under this section from institution operations funding or other local funds.

SECTION 25. BOND ISSUANCE AUTHORIZATION - PURPOSES. 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, 2021. 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 in section 1 of this Act for the following capital projects:

University of North Dakota - memorial union	\$80,000,000
North Dakota state university - university village phase II	37,600,000
Total special funds	\$117,600,000
<u>University of North Dakota - memorial union</u>	<u>\$80,000,000</u>
<u>University of North Dakota - parking lot projects</u>	<u>10,000,000</u>

1	<u>North Dakota state university - university village phase II</u>	37,600,000
2	<u>Dakota college at Bottineau - dining facility</u>	2,500,000
3	<u>Total special funds</u>	<u>\$130,100,000</u>

4 **SECTION 26. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER II CAPITAL**

5 **BUILDING FUNDS - MATCHING FUNDS.** The industrial commission shall transfer to
6 institutions under the control of the state board of higher education a total of \$10,000,000, or so
7 much of the sum as may be necessary, from the current earnings and accumulated undivided
8 profits of the Bank of North Dakota during the period beginning with the effective date of this
9 Act, and ending June 30, 2021, as requested by the commissioner of higher education. The
10 capital building fund and estimated income line items in subdivisions 2 through 12 of section 1
11 of this Act include \$10,000,000 from the current earnings and accumulated undivided profits of
12 the Bank of North Dakota ~~and \$8,648,555 from a one percent per year increase in tuition~~ as
13 follows:

	<u>Estimated</u>
	<u>Bank of North Dakota</u>
	<u>Tuition Commitment</u>
19 Bismarck state college	\$425,693
20	\$413,848
21 Lake Region state college	177,375
22	136,763
23 Williston state college	137,947
24	79,959
25 University of North Dakota	4,361,801
26	3,334,928
27 North Dakota state university	2,899,596
28	3,301,310
29 North Dakota state college of science	500,695
30	268,296
31 Dickinson state university	268,862

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1	_____	209,959
2	Mayville state university _____	240,029
3	_____	176,887
4	Minot state university _____	572,801
5	_____	448,613
6	Valley City state university _____	309,137
7	_____	205,206
8	Dakota college at Bottineau _____	106,064
9	_____	<u>72,786</u>
10	Total _____	
11	_____	\$10,000,000
12	_____	\$8,648,555
13	_____	Bank of North Dakota
14	<u>Bismarck state college</u> _____	<u>\$425,693</u>
15	<u>Lake Region state college</u> _____	<u>177,375</u>
16	<u>Williston state college</u> _____	<u>137,947</u>
17	<u>University of North Dakota</u> _____	<u>4,361,801</u>
18	<u>North Dakota state university</u> _____	<u>2,899,596</u>
19	<u>North Dakota state college of science</u> _____	<u>500,695</u>
20	<u>Dickinson state university</u> _____	<u>268,862</u>
21	<u>Mayville state university</u> _____	<u>240,029</u>
22	<u>Minot state university</u> _____	<u>572,801</u>
23	<u>Valley City state university</u> _____	<u>309,137</u>
24	<u>Dakota college at Bottineau</u> _____	<u>106,064</u>
25	<u>Total</u> _____	<u>\$10,000,000</u>

26 An institution shall provide one dollar of matching funds from operations or other sources for
 27 each one dollar from Bank of North Dakota profits ~~and for each one dollar generated from the~~
 28 ~~one percent per year increase in tuition~~ deposited in each institution's capital building fund. An
 29 institution may not use extraordinary repairs funding or tier III capital building fund moneys as
 30 matching funds under this section.

1 **SECTION 27. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER III CAPITAL**

2 **BUILDING FUND POOL - MATCHING FUNDS.** The industrial commission shall transfer to the

3 North Dakota university system office a total of \$5,000,000, or so much of the sum as may be

4 necessary, from the current earnings and accumulated undivided profits of the Bank of North

5 Dakota during the period beginning with the effective date of this Act, and ending June 30,

6 2021, as requested by the commissioner of higher education. The tier III capital building fund

7 pool and estimated income line items in subdivision 1 of section 1 of this Act include \$5,000,000

8 from the current earnings and accumulated undivided profits of the Bank of North Dakota. The

9 tier III capital building fund pool in subdivision 1 of section 1 of this Act also includes \$4,000,000

10 from the general fund. Funding from the tier III capital building fund pool is to be allocated to

11 each institution as follows:

	<u>Tier III Capital Building Fund</u>
13 Bismarck state college	\$500,000
14 Lake Region state college	500,000
15 Williston state college	500,000
16 University of North Dakota	2,250,000
17 North Dakota state university	2,250,000
18 North Dakota state college of science	500,000
19 Dickinson state university	500,000
20 Mayville state university	500,000
21 Minot state university	500,000
22 Valley City state university	500,000
23 Dakota college at Bottineau	<u>500,000</u>
24 Total	\$9,000,000

25 An institution shall provide ~~two dollars~~one dollar of matching funds from operations or other
26 sources for each one dollar from the tier III capital building fund pool. An institution may not use
27 extraordinary repairs funding or tier II capital building fund moneys as matching funds under this
28 section. Any funds transferred to an institution pursuant to this section from the tier III capital
29 building fund pool must be placed in that institution's capital building fund line item.

30 **SECTION 28. CAPITAL BUILDING FUNDS - USES - REPORTS.** Subject to state board of

31 higher education approval, each institution in subdivisions 2 through 12 of section 1 of this Act

1 may use moneys from its capital building fund line item for extraordinary repairs and deferred
2 maintenance projects which do not exceed \$700,000 and do not increase the square footage of
3 a building. In addition, ~~Lake Region state college is authorized to use up to \$3,000,000 from its~~
4 ~~capital building fund line item for the precision agriculture center project.~~ the following projects
5 are authorized to use funding from the corresponding institution's capital building fund line item:

6	<u>Lake Region state college - precision agriculture center</u>	<u>\$3,000,000</u>
7	<u>North Dakota state college of science - Hektner Student Center</u>	<u>6,708,000</u>
8	<u>Minot state university - dome wellness emergency generators</u>	<u>1,130,335</u>
9	<u>Valley City state university - life safety projects</u>	<u>2,529,323</u>
10	<u>Dakota college at Bottineau - Nelson Science Center</u>	<u>1,177,758</u>
11	<u>Total</u>	<u>\$14,545,416</u>

12 ___ The North Dakota university system shall report to the legislative management during the
13 2019-20 interim and to the appropriations committees of the sixty-seventh legislative assembly
14 on the use of funding in each institutions' capital building fund line item, the source of matching
15 funds, and each institutions' five-year plan for capital construction spending.

16 **SECTION 29. TRANSFER - BANK OF NORTH DAKOTA PROFITS - RESEARCH**
17 **DIGITAL INITIATIVE.** The industrial commission shall transfer to the university of North Dakota
18 a total of \$2,500,000, or so much of the sum as may be necessary, and to North Dakota state
19 university a total of \$2,500,000, or so much of the sum as may be necessary, from the current
20 earnings and accumulated undivided profits of the Bank of North Dakota during the biennium
21 beginning July 1, 2019, and ending June 30, 2021, as requested by the commissioner of higher
22 education. The estimated income line items in subdivisions 5 and 6 of section 1 include
23 \$2,500,000 each for the university of North Dakota and North Dakota state university for the
24 campus research digital initiative.

25 **SECTION 30. TUITION RATE INCREASE LIMITATION - BUDGET SECTION APPROVAL.**

26 1. Except as provided in this section, notwithstanding any other provision of law, the state
27 board of higher education may not increase tuition rates for resident students
28 attending institutions of higher education under its control during the 2019-20
29 academic year by more than ~~three~~four percent as compared to the tuition rate in effect
30 during the 2019 spring semester unless the board receives prior budget section
31 approval. Before approving or denying the request, the budget section shall consider

1 the effect the tuition rate increase will have on current and prospective students, tuition
2 rates at comparable institutions in neighboring states, and the institution's planned use
3 of additional tuition revenue.

4 2. Except as provided in this section, notwithstanding any other provision of law, the state
5 board of higher education may not increase tuition rates for resident students
6 attending institutions of higher education under its control during the 2020-21
7 academic year by more than ~~three~~four percent as compared to the tuition rate in effect
8 during the 2020 spring semester unless the board receives prior budget section
9 approval. Before approving or denying the request, the budget section shall consider
10 the effect the tuition rate increase will have on current and prospective students, tuition
11 rates at comparable institutions in neighboring states, and the institution's planned use
12 of additional tuition revenue.

13 3. This section does not apply to tuition rates charged for graduate level programs,
14 including programs offered through the university of North Dakota school of medicine
15 and health sciences, the university of North Dakota school of law, or the North Dakota
16 state university school of pharmacy.

17 4. This section does not apply to tuition rates for nonresident students attending
18 institutions of higher education under the control of the state board of higher
19 education. For purposes of this section, the residency of students for tuition purposes
20 must be determined under section 15-10-19.1.

21 5. This section does not apply to tuition rates determined under tuition reciprocity
22 agreements entered into by the state board of higher education with other states or
23 state education compacts.

24 6. This section does not apply to differentiated tuition rates charged for higher cost
25 programs.

26 7. For purposes of this section, an institution must calculate a resident tuition rate
27 increase based on the tuition rate paid by an average full-time resident student. The
28 state board of higher education may exclude adjustments to a tuition rate resulting
29 from a change in an institution's method of charging tuition, including the consolidation
30 of existing fees into tuition rates or charging tuition based on a per-credit rate, from
31 tuition rate calculations under this section.

1 ~~7. The state board of higher education may increase tuition rates for all students~~
2 ~~attending institutions of higher education under its control during the 2019-20~~
3 ~~academic year by an additional one percent as compared to the tuition rate in effect~~
4 ~~during the 2019 spring semester if the institution has provided matching funds from~~
5 ~~operations or other sources for each one dollar generated from the one percent~~
6 ~~increase in tuition, which must be deposited in each institution's capital building fund.~~

7 ~~8. The state board of higher education may increase tuition rates for all students~~
8 ~~attending institutions of higher education under its control during the 2020-21~~
9 ~~academic year by an additional one percent as compared to the tuition rate in effect~~
10 ~~during the 2020 spring semester if the institution has provided matching funds from~~
11 ~~operations or other sources for each one dollar generated from the one percent~~
12 ~~increase in tuition, which must be deposited in each institution's capital building fund.~~

13 **SECTION 31. EMERGENCY.** Sections ~~14, 16, 18, 19, 20, 21, and 22~~ 3, 4, 5, 18, 20, 22, 23,
14 24, 25, 26, 27, and 28 of this Act and the tier III capital building fund pool, capital assets, and
15 capital building fund line items in section 1 of this Act are declared to be an emergency
16 measure.