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Sixty-sixth  
Legislative Assembly  
of North Dakota

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

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

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

22 Subdivision 1.

23 NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Sixty-sixth  
Legislative Assembly

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Capital assets - bond payments	(\$1,645,878)	\$4,959,448
4	Competitive research programs	(342,000)	5,685,750
5	NASA EPSCoR	342,000	342,000
6	System governance	324,629	8,487,867
7	Title II	(1,006,472)	0
8	Core technology services	758,781	62,286,128
9	Student financial assistance grants	2,000,000	23,917,306
10	Professional student exchange program	0	3,699,342
11	Academic and technical education	0	12,016,749
12	scholarships		
13	Scholars program	0	1,807,115
14	Native American scholarship	0	555,323
15	Tribally controlled community college	400,000	1,000,000
16	grants		
17	Education incentive programs	(2,103,393)	760,000
18	Student mental health	0	284,400
19	Veterans' assistance grants	0	277,875
20	Shared campus services	0	500,000
21	Dual-credit instructor assistance	(200,000)	0
22	Education challenge fund	12,500,000	12,500,000
23	Tier III capital building fund pool	<u>9,000,000</u>	<u>9,000,000</u>
24	Total all funds	\$20,027,667	\$148,079,303
25	Less estimated income	<u>2,590,100</u>	<u>29,002,206</u>
26	Total general fund	\$17,437,567	\$119,077,097
27	Full-time equivalent positions	(0.50)	148.90

28 Subdivision 2.

29 BISMARCK STATE COLLEGE

30 Adjustments or

31 Base Level Enhancements Appropriation

Sixty-sixth  
Legislative Assembly

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	<u>0</u>	<u>851,386</u>	<u>851,386</u>
4	Total all funds	\$103,592,595	(\$2,097,373)	\$101,495,222
5	Less estimated income	<u>72,991,998</u>	<u>(2,542,596)</u>	<u>70,449,402</u>
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		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Operations	\$36,449,048	\$1,100,743	\$37,549,791
13	Capital assets	362,667	3,000,000	3,362,667
14	Capital building fund	<u>0</u>	<u>354,750</u>	<u>354,750</u>
15	Total all funds	\$36,811,715	\$4,455,493	\$41,267,208
16	Less estimated income	<u>24,111,092</u>	<u>4,220,172</u>	<u>28,331,264</u>
17	Total general fund	\$12,700,623	\$235,321	\$12,935,944
18	Full-time equivalent positions	129.61	(11.51)	118.10

19 Subdivision 4.

20 WILLISTON STATE COLLEGE

21			Adjustments or	
22		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
23	Operations	\$26,954,133	\$6,640,714	\$33,594,847
24	Capital assets	1,261,968	0	1,261,968
25	Capital building fund	<u>0</u>	<u>275,894</u>	<u>275,894</u>
26	Total all funds	\$28,216,101	\$6,916,608	\$35,132,709
27	Less estimated income	<u>19,855,598</u>	<u>4,210,581</u>	<u>24,066,179</u>
28	Total general fund	\$8,360,503	\$2,706,027	\$11,066,530
29	Full-time equivalent positions	100.75	(0.27)	100.48

30 Subdivision 5.

31 UNIVERSITY OF NORTH DAKOTA

Sixty-sixth  
Legislative Assembly

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Operations	\$864,554,974	\$7,993,510	\$872,548,484
4	School of law	0	19,425,648	19,425,648
5	Capital assets	4,411,566	140,000,000	144,411,566
6	Capital building fund	<u>0</u>	<u>8,723,602</u>	<u>8,723,602</u>
7	Total all funds	\$868,966,540	\$176,142,760	\$1,045,109,300
8	Less estimated income	<u>728,870,450</u>	<u>166,538,829</u>	<u>895,409,279</u>
9	Total general fund	\$140,096,090	\$9,603,931	\$149,700,021
10	Full-time equivalent positions	2,218.07	(85.90)	2,132.17
11	Subdivision 6.			

NORTH DAKOTA STATE UNIVERSITY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Operations	\$732,673,267	\$13,602,304	\$746,275,571
16	Capital assets	7,799,104	79,800,000	87,599,104
17	Capital building fund	<u>0</u>	<u>5,799,192</u>	<u>5,799,192</u>
18	Total all funds	\$740,472,371	\$99,201,496	\$839,673,867
19	Less estimated income	<u>611,881,329</u>	<u>95,077,555</u>	<u>706,958,884</u>
20	Total general fund	\$128,591,042	\$4,123,941	\$132,714,983
21	Full-time equivalent positions	1,895.66	(25.50)	1,870.16
22	Subdivision 7.			

NORTH DAKOTA STATE COLLEGE OF SCIENCE

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
24				
25				
26	Operations	\$91,682,610	\$4,016,447	\$95,699,057
27	Capital assets	1,012,379	30,000,000	31,012,379
28	Capital building fund	<u>0</u>	<u>1,001,390</u>	<u>1,001,390</u>
29	Total all funds	\$92,694,989	\$35,017,837	\$127,712,826
30	Less estimated income	<u>57,605,613</u>	<u>33,591,545</u>	<u>91,197,158</u>

Sixty-sixth  
Legislative Assembly

1	Total general fund	\$35,089,376	\$1,426,292	\$36,515,668
2	Full-time equivalent positions	345.04	(34.31)	310.73
3	Subdivision 8.			

DICKINSON STATE UNIVERSITY

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
7	Operations	\$47,135,592	\$1,425,402	\$48,560,994
8	Capital assets	409,078	0	409,078
9	Capital building fund	0	537,724	537,724
10	Theodore Roosevelt digitization	<u>0</u>	<u>750,000</u>	<u>750,000</u>
11	Total all funds	\$47,544,670	\$2,713,126	\$50,257,796
12	Less estimated income	<u>29,737,827</u>	<u>1,376,906</u>	<u>31,114,733</u>
13	Total general fund	\$17,806,843	\$1,336,220	\$19,143,063
14	Full-time equivalent positions	168.90	44.36	213.26
15	Subdivision 9.			

MAYVILLE STATE UNIVERSITY

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
19	Operations	\$44,197,761	\$3,521,794	\$47,719,555
20	Capital assets	358,992	0	358,992
21	Capital building fund	<u>0</u>	<u>480,058</u>	<u>480,058</u>
22	Total all funds	\$44,556,753	\$4,001,852	\$48,558,605
23	Less estimated income	<u>30,307,148</u>	<u>1,830,841</u>	<u>32,137,989</u>
24	Total general fund	\$14,249,605	\$2,171,011	\$16,420,616
25	Full-time equivalent positions	210.53	(1.26)	209.27
26	Subdivision 10.			

MINOT STATE UNIVERSITY

			Adjustments or	
	<u>Base Level</u>		<u>Enhancements</u>	<u>Appropriation</u>
30	Operations	\$100,710,275	\$1,614,798	\$102,325,073
31	Capital assets	1,099,620	0	1,099,620

Sixty-sixth  
Legislative Assembly

1	Capital building fund	<u>0</u>	<u>1,145,602</u>	<u>1,145,602</u>
2	Total all funds	\$101,809,895	\$2,760,400	\$104,570,295
3	Less estimated income	<u>62,058,916</u>	<u>2,614,686</u>	<u>64,673,602</u>
4	Total general fund	\$39,750,979	\$145,714	\$39,896,693
5	Full-time equivalent positions	441.65	(34.07)	407.58
6	Subdivision 11.			

VALLEY CITY STATE UNIVERSITY

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Operations	\$48,444,336	(\$267,408)	\$48,176,928
11	Capital assets	455,823	0	455,823
12	Capital building fund	<u>0</u>	<u>618,274</u>	<u>618,274</u>
13	Total all funds	\$48,900,159	\$350,866	\$49,251,025
14	Less estimated income	<u>28,470,657</u>	<u>(1,878,565)</u>	<u>26,592,092</u>
15	Total general fund	\$20,429,502	\$2,229,431	\$22,658,933
16	Full-time equivalent positions	202.75	(22.07)	180.68
17	Subdivision 12.			

DAKOTA COLLEGE AT BOTTINEAU

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Operations	\$17,168,111	\$4,266,912	\$21,435,023
22	Capital assets	114,007	2,500,000	2,614,007
23	Capital building fund	<u>0</u>	<u>212,128</u>	<u>212,128</u>
24	Total all funds	\$17,282,118	\$6,979,040	\$24,261,158
25	Less estimated income	<u>9,629,173</u>	<u>6,896,742</u>	<u>16,525,915</u>
26	Total general fund	\$7,652,945	\$82,298	\$7,735,243
27	Full-time equivalent positions	84.30	(2.01)	82.29
28	Subdivision 13.			

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

30			Adjustments or	
31		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

Sixty-sixth  
Legislative Assembly

1	Operations	\$205,926,712	\$5,369,938	\$211,296,650
2	Health care workforce initiative	<u>0</u>	<u>10,676,150</u>	<u>10,676,150</u>
3	Total all funds	\$205,926,712	\$16,046,088	\$221,972,800
4	Less estimated income	<u>154,078,620</u>	<u>4,958,391</u>	<u>159,037,011</u>
5	Total general fund	\$51,848,092	\$11,087,697	\$62,935,789
6	Full-time equivalent positions	435.75	49.57	485.32

7 Subdivision 14.

8 NORTH DAKOTA FOREST SERVICE

9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Operations	\$14,958,447	\$264,889	\$15,223,336
12	Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
13	Total all funds	\$15,077,175	\$264,889	\$15,342,064
14	Less estimated income	<u>10,650,748</u>	<u>14,652</u>	<u>10,665,400</u>
15	Total general fund	\$4,426,427	\$250,237	\$4,676,664
16	Full-time equivalent positions	27.00	0.00	27.00

17 Subdivision 15.

18 BILL TOTAL

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Grand total general fund	\$613,242,154	\$53,280,910	\$666,523,064
22	Grand total special funds	<u>1,866,661,275</u>	<u>319,499,839</u>	<u>2,186,161,114</u>
23	Grand total all funds	\$2,479,903,429	\$372,780,749	\$2,852,684,178

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

27	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
28	Capital projects - other funds	\$168,505,000	\$255,300,000
29	Education challenge grants	2,000,000	12,500,000
30	Tier II and tier III capital building funds	0	29,000,000
31	Theodore Roosevelt digitization	0	750,000

Sixty-sixth  
Legislative Assembly

1	University of North Dakota research digital initiative	0	2,500,000
2	North Dakota state university research digital initiative	0	2,500,000
3	Institution operations distributions	2,000,000	0
4	Dickinson state university operations and debt repayment	8,284,626	0
5	Two-year campus study	40,000	0
6	Valley City state university integrated carbon project	22,500,000	0
7	Minot state university projects	2,284,000	0
8	Midwestern higher education compact dues	<u>230,000</u>	<u>0</u>
9	Total all funds	\$205,843,626	\$302,550,000
10	Total other funds	<u>193,289,000</u>	<u>285,300,000</u>
11	Total general fund	\$12,554,626	\$17,250,000

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

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

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

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

25 **EDUCATION.** There is appropriated out of any moneys in the general fund in the state treasury,  
 26 not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary,  
 27 to the state board of higher education for the purpose of providing matching grants for clinical  
 28 legal education, including indigent legal services, and for the recruitment and retention of faculty  
 29 at the university of North Dakota school of law, for the period beginning with the effective date of  
 30 this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended



1 funds from this appropriation may be continued into the biennium beginning July 1, 2019, and  
2 ending June 30, 2021.

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

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

13 **Midwestern regional higher education compact.**

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

15 **ARTICLE I - PURPOSE**

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

20 **ARTICLE II - THE COMMISSION**

- 21 1. The compacting states create the midwestern higher education commission,  
22 hereinafter called the commission. The commission is a body corporate of each  
23 compacting state. The commission has all the responsibilities, powers, and duties set  
24 forth in this chapter, including the power to sue and be sued, and any additional  
25 powers conferred upon it by subsequent action of the respective legislative assemblies  
26 of the compacting states in accordance with the terms of this compact.
- 27 2. The commission consists of the following five resident members from each state: the  
28 governor or the governor's designee who serves during the tenure of office of the  
29 governor; two legislators, one from each house, except for Nebraska, which may  
30 appoint two legislators from its legislative assembly, who serve two-year terms and are  
31 appointed by the appropriate appointing authority in each house of the legislative

1 assembly; and two other at large members, at least one of whom is to be selected  
2 from the field of higher education. The at large members are to be appointed as  
3 provided by the laws of the appointing state. One of the two at large members initially  
4 appointed in each state serves a two-year term. The other, and any regularly  
5 appointed successor to either at large member, serves a four-year term. All vacancies  
6 are to be filled in accordance with the laws of the appointing states. Any commissioner  
7 appointed to fill a vacancy serves until the end of the incomplete term.

8 3. The commission shall select annually, from among its members, a chairman, a vice  
9 chairman, and a treasurer.

10 4. The commission shall appoint an executive director who serves at its pleasure and  
11 who is secretary to the commission. The treasurer, the executive director, and other  
12 personnel as the commission determines must be bonded in the amounts required by  
13 the commission.

14 5. The commission shall meet at least once each calendar year. The chairman may call  
15 additional meetings and upon the request of a majority of the commission members of  
16 three or more compacting states, shall call additional meetings. The commission shall  
17 give public notice of all meetings. All meetings must be open to the public.

18 6. Each compacting state represented at any meeting of the commission is entitled to  
19 one vote. A majority of the compacting states constitute a quorum for the transaction of  
20 business, unless a larger quorum is required by the bylaws of the commission.

### 21 **ARTICLE III - POWERS AND DUTIES OF THE COMMISSION**

22 1. The commission shall adopt bylaws governing its management and operations.

23 2. Notwithstanding the laws of any compacting state, the commission shall provide for  
24 the personnel policies and programs of the compact in its bylaws.

25 3. The commission shall submit a budget to the governor and legislative assembly of  
26 each compacting state at the time and for the period required by each state. The  
27 budget must contain recommendations regarding the amount to be appropriated by  
28 each compacting state.

29 4. The commission shall report annually to the legislative assemblies and governors of  
30 the compacting states, to the midwestern governors' conference, and to the  
31 midwestern legislative conference of the council of state governments regarding the

1           activities of the commission during the preceding year. The reports must include any  
2           recommendations that have been adopted by the commission.

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

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

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

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

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

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

#### 24                                   **ARTICLE IV - ACTIVITIES OF THE COMMISSION**

25          1. The commission shall collect data on the long-range effects of the compact on higher  
26          education. By the end of the fourth year from the effective date of the compact and  
27          every two years thereafter, the commission shall review its accomplishments and  
28          make recommendations to the governors and legislative assemblies of the compacting  
29          states regarding continuance of the compact.

30          2. The commission shall study higher education issues that are of particular concern to  
31          the midwestern region. The commission also shall study the need for higher education

1 programs and services in the compacting states and the resources for meeting those  
2 needs. The commission shall prepare reports, on its research, for presentation to the  
3 governors and legislative assemblies of the compacting states, as well as to other  
4 interested parties. In conducting the studies, the commission may confer with any  
5 national or regional planning body. The commission may draft and recommend to the  
6 governors and legislative assemblies of the various compacting states suggested  
7 legislation addressing issues in higher education.

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

#### **ARTICLE V - FINANCE**

- 25 1. The compacting states will appropriate the amount necessary to finance the general  
26 operations of the commission, not otherwise provided for, when authorized by their  
27 respective legislative assemblies. The amount must be apportioned equally among the  
28 compacting states.
- 29 2. The commission may not incur any obligations prior to the passage of appropriations  
30 adequate to meet the same; nor may the commission pledge the credit of any of the  
31 compacting states, except by and with the authority of the compacting state.

- 1       3. The commission shall keep accurate accounts of its receipts and disbursements. The  
2       receipts and disbursements of the commission are subject to the audit and accounting  
3       procedures established under its bylaws. All receipts and disbursements handled by  
4       the commission must be audited yearly by a certified or licensed public accountant  
5       and the report of the audit must be included in and become part of the annual report of  
6       the commission.
- 7       4. The accounts of the commission must be open at any reasonable time for inspection  
8       by duly authorized representatives of the compacting states and by persons  
9       authorized by the commission.

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

- 11       1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri,  
12       Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to become  
13       parties to this compact. Additional states may be eligible if approved by a majority of  
14       the compacting states.
- 15       2. This compact becomes effective, as to any eligible party state, when its legislative  
16       assembly enacts the compact into law.
- 17       3. An amendment to the compact becomes effective upon its enactment by the  
18       legislative assemblies of all compacting states.

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

- 20       1. A compacting state may withdraw from the compact by enacting a statute repealing  
21       the compact, but the withdrawal may not become effective until two years after the  
22       enactment of such statute. A withdrawing state is liable for any obligation that it  
23       incurred on account of its party status, up to the effective date of withdrawal, except  
24       that if the withdrawing state has specifically undertaken or committed itself to any  
25       performance of an obligation extending beyond the effective date of withdrawal, it  
26       remains liable to the extent of the obligation.
- 27       2. If a compacting state at any time defaults in the performance of its obligations,  
28       assumed or imposed, in accordance with this compact, all rights, privileges, and  
29       benefits conferred by this compact or by agreements made under the compact are  
30       suspended from the effective date of the default, as fixed by the commission. The  
31       commission shall stipulate the conditions and maximum time for compliance under

1           which the defaulting state may resume its regular status. Unless the default is  
2           remedied under the stipulations and within the time period set by the commission, the  
3           compact may be terminated with respect to the defaulting state by affirmative vote of a  
4           majority of the other member states. A defaulting state may be reinstated by  
5           performing all acts and obligations required by the commission.

6                           **ARTICLE VIII - SEVERABILITY AND CONSTRUCTION**

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

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

- 16           1.   The members of the midwestern higher education commission representing this state  
17           are:
- 18           a.   The governor or the governor's designee.
- 19           b.   One member of the senate and one member of the house of representatives,  
20           appointed by the chairman of the legislative management.
- 21           c.   Two at-large members, one of whom must be knowledgeable about the field of  
22           higher education, appointed by the governor.
- 23           2.   The term of each legislative appointee is two years. One initial at-large member must  
24           be appointed for a term of two years and the other for a term of four years. Thereafter,  
25           the term of each at-large member is four years.
- 26           3.   If a member vacates the position to which the member was appointed, the position  
27           must be filled for the remainder of the unexpired term in the same manner as that  
28           position was filled initially.

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

1           **15-10-48. Advancement of academics - Matching grants - University of North Dakota**  
2 **and North Dakota state university.**

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

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

3       **15-10-48.1. Clinical legal education, including indigent legal services, and faculty**  
4 **recruitment and retention - Matching grants - University of North Dakota school of law.**

- 5       1. a. Subject to legislative appropriations, each biennium the state board of higher  
6 education shall award one dollar in matching grants for every two dollars raised  
7 by the institutional foundation of the university of North Dakota for projects  
8 dedicated exclusively to clinical legal education, including indigent legal services,  
9 or the recruitment and retention of faculty at the school of law.
- 10       b. To be eligible for a matching grant, the institution shall demonstrate:  
11       (1) Its foundation has raised at least twenty-five thousand dollars in cash or  
12 monetary pledges for a qualifying project; and  
13       (2) The project has been approved by the grant review committee established  
14 in section 15-10-51.
- 15       c. The board may award up to two hundred fifty thousand dollars in matching grants  
16 under this section.
- 17       d. If the remaining dollars are insufficient to provide a matching grant in the amount  
18 of one dollar for every two dollars raised by the institutional foundation, the board  
19 shall award a lesser amount.
- 20       2. The state board of higher education shall retain up to one-quarter of one percent of  
21 any grant awarded under this section to assist with the administrative expenses  
22 incurred in the grant review process.

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

25       **15-10-49. Advancement of academics - Matching grants - Two-year and four-year**  
26 **institutions of higher education.**

- 27       1. a. Subject to legislative appropriations, each biennium during the period beginning  
28 July first of each odd-numbered year and ending December thirty-first of each  
29 even-numbered year, the state board of higher education shall award one dollar  
30 in matching grants for every two dollars raised by the institutional foundations of  
31 Bismarck state college, Dakota college at Bottineau, Dickinson state university,



1 Lake Region state college, Mayville state university, Minot state university, North  
2 Dakota state college of science, Valley City state university, and Williston state  
3 college for projects dedicated exclusively to the advancement of academics.

4 b. To be eligible for a matching grant, an institution must demonstrate that:

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

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

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

11 (1) One million two hundred thousand dollars each to Bismarck state college,

12 Minot state university, and the North Dakota state college of science;

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

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

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

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

22 c. The board shall consider each application submitted under this subsection in  
23 chronological order.

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

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

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

- 1           c. The board shall consider each application submitted under this subsection in  
2           chronological order.
- 3           d. If the funding provided under this subsection is insufficient to provide a matching  
4           grant in the amount of one dollar for every two dollars raised by the institutional  
5           foundation, the board shall award a lesser amount.
- 6           4. The state board of higher education shall retain up to one-quarter of one percent of  
7           any grant awarded under this section to assist with administrative expenses incurred  
8           in the grant review process.

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

11           **15-10-50. Liability for pledged amount.**

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

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

18           **15-18.2-02. Weighted credit-hours - Determination - Instructional program**  
19          **classification factors - Submission to legislative management.**

- 20           1. In order to determine the weighted credit-hours for each institution under its control,  
21           the state board of higher education shall multiply each of an institution's completed  
22           credit-hours, as determined under section 15-18.2-01, by an instructional program  
23           classification factor, as set forth in this section.
- 24           a. The factors for credits completed in agriculture are:
- 25                 (1) 1.9 for lower division credits;
- 26                 (2) 3.8 for upper division credits;
- 27                 (3) 5.7 for professional level credits; and
- 28                 (4) 7.6 for graduate level credits.
- 29           b. The factors for credits completed in architecture are:
- 30                 (1) 1.8 for lower division credits;
- 31                 (2) 3.6 for upper division credits;

- 1 (3) 5.4 for professional level credits; and  
2 (4) 7.2 for graduate level credits.
- 3 c. The factors for credits completed in transportation are:  
4 (1) 1.9 for lower division credits;  
5 (2) 3.8 for upper division credits;  
6 (3) 5.7 for professional level credits; and  
7 (4) 7.6 for graduate level credits.
- 8 d. The factors for credits completed in the biological and physical sciences are:  
9 (1) 1.9 for lower division credits;  
10 (2) 3.8 for upper division credits;  
11 (3) 5.7 for professional level credits; and  
12 (4) 7.6 for graduate level credits.
- 13 e. The factors for credits completed in business are:  
14 (1) 1.9 for lower division credits;  
15 (2) 3.8 for upper division credits;  
16 (3) 5.7 for professional level credits; and  
17 (4) 7.6 for graduate level credits.
- 18 f. The factors for credits completed in education are:  
19 (1) 1.9 for lower division credits;  
20 (2) 3.8 for upper division credits;  
21 (3) 5.7 for professional level credits; and  
22 (4) 7.6 for graduate level credits.
- 23 g. The factors for credits completed in engineering are:  
24 (1) 2.5 for lower division credits;  
25 (2) 5.0 for upper division credits;  
26 (3) 7.5 for professional level credits; and  
27 (4) 10.0 for graduate level credits.
- 28 h. The factors for credits completed in the health sciences are:  
29 (1) 3.0 for lower division credits;  
30 (2) 6.0 for upper division credits;  
31 (3) 9.0 for professional level credits;

- 1 (4) 12.0 for graduate level credits; and  
2 (5) ~~38.0~~34.5 for medical school credits.
- 3 i. The factors for credits completed in legal studies are:  
4 (1) 3.5 for lower division credits;  
5 (2) 7.0 for upper division credits;  
6 (3) ~~10.5~~13.3 for professional level credits; and  
7 (4) 14.0 for graduate level credits.
- 8 j. The factors for credits completed in the core disciplines are:  
9 (1) 1.0 for lower division credits;  
10 (2) 2.0 for upper division credits;  
11 (3) 3.0 for professional level credits; and  
12 (4) 4.0 for graduate level credits.
- 13 k. The factor for credits completed in career and technical education is 2.0.  
14 l. The factor for completed basic skills credits is 2.3.
- 15 2. a. The state board of higher education shall ensure that all delineations in this  
16 section reflect the requirements of a nationally recognized and standardized  
17 instructional program classification system.  
18 b. Before adopting any changes to the delineations implemented in accordance with  
19 this section, the state board of higher education shall present the proposed  
20 changes to and receive the approval of the legislative management.

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

23 **15-18.2-04.1. Cost of living factor - Determination.**

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

- 26 1. 1.0 if the institution is located in a county with a median household income, when  
27 divided by the North Dakota average household income results in a quotient of less  
28 than 1.35; or  
29 2. 1.1 if the institution is located in a county with a median household income, when  
30 divided by the North Dakota average household income results in a quotient of 1.35 or  
31 more.

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

3       **15-18.2-05. Base funding - Determination of state aid.**

4       1. Except as provided under subsection 2, in order to determine the state aid payment to  
5 which each institution under its control is entitled, the state board of higher education  
6 shall multiply the product determined under section ~~15-18.2-04~~15-18.2-04.1 by a base  
7 amount of:

- 8       a. ~~\$58.65~~\$60.87 in the case of North Dakota state university and the university of  
9 North Dakota;  
10       b. ~~\$86.95~~\$90.98 in the case of Dickinson state university, Mayville state university,  
11 Minot state university, and Valley City state university; and  
12       c. ~~\$93.03~~\$96.99 in the case of Bismarck state college, Dakota college at Bottineau,  
13 Lake Region state college, North Dakota state college of science, and Williston  
14 state college.

15       2. An institution is entitled to an amount equal to seventy-five percent of the product  
16 determined under subsection 1 for credits completed by students receiving a tuition  
17 waiver pursuant to section 54-12-35.

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

20       **15-62.4-03. Student financial assistance program - Grants.**

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

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

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

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

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

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

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

5           **54-44.1-11. Office of management and budget to cancel unexpended appropriations -**  
6 **When they may continue. (Effective through July 31, ~~2019~~2021)**

7           Except as otherwise provided by law, the office of management and budget, thirty days after  
8 the close of each biennial period, shall cancel all unexpended appropriations or balances of  
9 appropriations after the expiration of the biennial period during which they became available  
10 under the law. Unexpended appropriations for the state historical society are not subject to this  
11 section and the state historical society shall report on the amounts and uses of funds carried  
12 over from one biennium to the appropriations committees of the next subsequent legislative  
13 assembly. Unexpended appropriations for the North Dakota university system are not subject to  
14 this section and the North Dakota university system shall report on the amounts and uses of  
15 funds carried over from one biennium to the next to subsequent appropriations committees of  
16 the legislative assembly. The chairmen of the appropriations committees of the senate and  
17 house of representatives of the legislative assembly with the office of the budget may continue  
18 appropriations or balances in force for not more than two years after the expiration of the  
19 biennial period during which they became available upon recommendation of the director of the  
20 budget for:

- 21           1.    New construction projects.
- 22           2.    Major repair or improvement projects.
- 23           3.    Purchases of new equipment costing more than ten thousand dollars per unit if it was  
24                ordered during the first twelve months of the biennium in which the funds were  
25                appropriated.
- 26           4.    The purchase of land by the state on a "contract for deed" purchase if the total  
27                purchase price is within the authorized appropriation.
- 28           5.    Purchases by the department of transportation of roadway maintenance equipment  
29                costing more than ten thousand dollars per unit if the equipment was ordered during  
30                the first twenty-one months of the biennium in which the funds were appropriated.
- 31           6.    Authorized ongoing information technology projects.

1       **Office of management and budget to cancel unexpended appropriations - When they**  
2 **may continue. (Effective after July 31, 20192021)** The office of management and budget,  
3 thirty days after the close of each biennial period, shall cancel all unexpended appropriations or  
4 balances of appropriations after the expiration of the biennial period during which they became  
5 available under the law. Unexpended appropriations for the state historical society are not  
6 subject to this section and the state historical society shall report on the amounts and uses of  
7 funds carried over from one biennium to the appropriations committees of the next subsequent  
8 legislative assembly. The chairmen of the appropriations committees of the senate and house of  
9 representatives of the legislative assembly with the office of the budget may continue  
10 appropriations or balances in force for not more than two years after the expiration of the  
11 biennial period during which they became available upon recommendation of the director of the  
12 budget for:

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

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

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

26 **APPROPRIATION.** All funds, in addition to those appropriated in section 1 of this Act, from  
27 federal, private, and other sources for competitive grants or other funds that the legislative  
28 assembly has not indicated the intent to reject, including tuition revenue, received by the state  
29 board of higher education and the institutions and entities under the control of the state board of  
30 higher education, are appropriated to the board and those institutions and entities, for the  
31 biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under

1 the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019,  
2 and ending June 30, 2021, are appropriated to the state board of higher education for  
3 reimbursement to institutions under the control of the board.

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

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

17 **SECTION 20. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**  
18 Notwithstanding section 54-16-04, the state board of higher education may transfer  
19 appropriation authority from the operations to the capital assets and capital building fund line  
20 items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the  
21 effective date of this Act, and ending June 30, 2021. The board shall report any transfer of funds  
22 under this section to the office of management and budget and the legislative management.

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

29 **SECTION 22. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.**  
30 The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding  
31 from the general fund for institution extraordinary repairs. An institution shall provide two dollars



1 of matching funds from operations or other sources for each one dollar of extraordinary repairs  
2 funding used for a project. An institution may not use tier II or tier III capital building fund  
3 moneys as matching funds under this section.

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

15 **SECTION 24. PROJECT AUTHORIZATIONS.** The industrial commission, acting as the  
16 North Dakota building authority, shall arrange for the funding of the projects authorized in this  
17 section, declared to be in the public interest, through the issuance of evidences of indebtedness  
18 under chapter 54-17.2, beginning with the effective date of this Act, and ending June 30, 2021.  
19 The industrial commission shall issue evidences of indebtedness under this section with the  
20 condition that lease rental payments need not begin until July 1, 2021. The authority of the  
21 industrial commission to issue evidences of indebtedness under this section ends June 30,  
22 2021, but the industrial commission may continue to exercise all other powers granted to it  
23 under chapter 54-17.2 and this Act and comply with any covenants entered before that date.  
24 The proceeds of the evidences of indebtedness are included in the appropriation in  
25 subdivision 5 of section 1, beginning with the effective date of this Act, and ending June 30,  
26 2021, for the following projects:

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

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

1       **SECTION 25. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of  
2 higher education, in accordance with chapter 15-55, may arrange for the funding of projects  
3 authorized in this section, declared to be in the public interest, through the issuance of  
4 self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the  
5 effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant  
6 to this section are not a general obligation of the state of North Dakota. Any unexpended  
7 balance resulting from the proceeds of the evidences of indebtedness must be placed in a  
8 sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may  
9 be issued and the proceeds are appropriated in section 1 of this Act for the following capital  
10 projects:

11 University of North Dakota - memorial union	\$80,000,000
12 University of North Dakota - parking lot projects	10,000,000
13 North Dakota state university - university village phase II	37,600,000
14 Dakota college at Bottineau - dining facility	<u>2,500,000</u>
15 Total special funds	\$130,100,000

16       **SECTION 26. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER II CAPITAL**  
17 **BUILDING FUNDS - MATCHING FUNDS.** The industrial commission shall transfer to  
18 institutions under the control of the state board of higher education a total of \$10,000,000, or so  
19 much of the sum as may be necessary, from the current earnings and accumulated undivided  
20 profits of the Bank of North Dakota during the period beginning with the effective date of this  
21 Act, and ending June 30, 2021, as requested by the commissioner of higher education. The  
22 capital building fund and estimated income line items in subdivisions 2 through 12 of section 1  
23 of this Act include \$10,000,000 from the current earnings and accumulated undivided profits of  
24 the Bank of North Dakota as follows:

	<u>Bank of North Dakota</u>
25	
26 Bismarck state college	\$425,693
27 Lake Region state college	177,375
28 Williston state college	137,947
29 University of North Dakota	4,361,801
30 North Dakota state university	2,899,596
31 North Dakota state college of science	500,695

Sixty-sixth  
Legislative Assembly

1	Dickinson state university	268,862
2	Mayville state university	240,029
3	Minot state university	572,801
4	Valley City state university	309,137
5	Dakota college at Bottineau	<u>106,064</u>
6	Total	\$10,000,000

7 An institution shall provide one dollar of matching funds from operations or other sources for  
8 each one dollar from Bank of North Dakota profits deposited in each institution's capital building  
9 fund. An institution may not use extraordinary repairs funding or tier III capital building fund  
10 moneys as matching funds under this section.

11 **SECTION 27. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER III CAPITAL**  
12 **BUILDING FUND POOL - MATCHING FUNDS.** The industrial commission shall transfer to the  
13 North Dakota university system office a total of \$5,000,000, or so much of the sum as may be  
14 necessary, from the current earnings and accumulated undivided profits of the Bank of North  
15 Dakota during the period beginning with the effective date of this Act, and ending June 30,  
16 2021, as requested by the commissioner of higher education. The tier III capital building fund  
17 pool and estimated income line items in subdivision 1 of section 1 of this Act include \$5,000,000  
18 from the current earnings and accumulated undivided profits of the Bank of North Dakota. The  
19 tier III capital building fund pool in subdivision 1 of section 1 of this Act also includes \$4,000,000  
20 from the general fund. Funding from the tier III capital building fund pool is to be allocated to  
21 each institution as follows:

22		<u>Tier III Capital Building Fund</u>
23	Bismarck state college	\$500,000
24	Lake Region state college	500,000
25	Williston state college	500,000
26	University of North Dakota	2,250,000
27	North Dakota state university	2,250,000
28	North Dakota state college of science	500,000
29	Dickinson state university	500,000
30	Mayville state university	500,000
31	Minot state university	500,000

1	Valley City state university	500,000
2	Dakota college at Bottineau	<u>500,000</u>
3	Total	\$9,000,000

4 An institution shall provide one dollar of matching funds from operations or other sources for  
5 each one dollar from the tier III capital building fund pool. An institution may not use  
6 extraordinary repairs funding or tier II capital building fund moneys as matching funds under this  
7 section. Any funds transferred to an institution pursuant to this section from the tier III capital  
8 building fund pool must be placed in that institution's capital building fund line item.

9 **SECTION 28. CAPITAL BUILDING FUNDS - USES - REPORTS.** Subject to state board of  
10 higher education approval, each institution in subdivisions 2 through 12 of section 1 of this Act  
11 may use moneys from its capital building fund line item for extraordinary repairs and deferred  
12 maintenance projects which do not exceed \$700,000 and do not increase the square footage of  
13 a building. In addition, the following projects are authorized to use funding from the  
14 corresponding institution's capital building fund line item:

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

21 The North Dakota university system shall report to the legislative management during the  
22 2019-20 interim and to the appropriations committees of the sixty-seventh legislative assembly  
23 on the use of funding in each institutions' capital building fund line item, the source of matching  
24 funds, and each institutions' five-year plan for capital construction spending.

25 **SECTION 29. TRANSFER - BANK OF NORTH DAKOTA PROFITS - RESEARCH**  
26 **DIGITAL INITIATIVE.** The industrial commission shall transfer to the university of North Dakota  
27 a total of \$2,500,000, or so much of the sum as may be necessary, and to North Dakota state  
28 university a total of \$2,500,000, or so much of the sum as may be necessary, from the current  
29 earnings and accumulated undivided profits of the Bank of North Dakota during the biennium  
30 beginning July 1, 2019, and ending June 30, 2021, as requested by the commissioner of higher  
31 education. The estimated income line items in subdivisions 5 and 6 of section 1 include

1 \$2,500,000 each for the university of North Dakota and North Dakota state university for the  
2 campus research digital initiative.

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

- 4 1. 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 2019-20  
7 academic year by more than four percent as compared to the tuition rate in effect  
8 during the 2019 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 2. Except as provided in this section, notwithstanding any other provision of law, the state  
14 board of higher education may not increase tuition rates for resident students  
15 attending institutions of higher education under its control during the 2020-21  
16 academic year by more than four percent as compared to the tuition rate in effect  
17 during the 2020 spring semester unless the board receives prior budget section  
18 approval. Before approving or denying the request, the budget section shall consider  
19 the effect the tuition rate increase will have on current and prospective students, tuition  
20 rates at comparable institutions in neighboring states, and the institution's planned use  
21 of additional tuition revenue.
- 22 3. This section does not apply to tuition rates charged for graduate level programs,  
23 including programs offered through the university of North Dakota school of medicine  
24 and health sciences, the university of North Dakota school of law, or the North Dakota  
25 state university school of pharmacy.
- 26 4. This section does not apply to tuition rates for nonresident students attending  
27 institutions of higher education under the control of the state board of higher  
28 education. For purposes of this section, the residency of students for tuition purposes  
29 must be determined under section 15-10-19.1.

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

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

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

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